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BR DOC 650

REPORTS
FROM
COMMITTEES:
SEVEN VOLUMES.

—(6.)—

SUGAR INDUSTRIES; SUMMARY JURISDICTION BILL;
THAMES RIVER (PREVENTION OF FLOODS) BILL.

Session
5 December 1878 — 15 August 1879.

13
VOL. XIII.

1878-9.

BR DOC 650

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REPORTS FROM COMMITTEES:

1878-9.

SEVEN VOLUMES:—CONTENTS OF THE

SIXTH VOLUME.

N.B.—*THE* Figures at the beginning of the line, correspond with the N° at the foot of each Report; and the Figures at the end of the line, refer to the MS. Paging of the Volumes arranged for The House of Commons.

SUGAR INDUSTRIES :

- ↓ 321. Report from the Select Committee on Sugar Industries ; together with the Proceedings of the Committee, Minutes of Evidence, Appendix, and Index - - - - - p. 1

SUMMARY JURISDICTION BILL:

- ↓ 154. Report from the Select Committee on the Summary Jurisdiction Bill ; with the Proceedings of the Committee - - - - 505

THAMES RIVER (PREVENTION OF FLOODS) BILL:

- ↓ 178. Report from the Select Committee on Thames River (Prevention of Floods) Bill ; with the Proceedings of the Committee, Minutes of Evidence, Appendix, and Index - - - - 515

R E P O R T
FROM THE
SELECT COMMITTEE
ON
SUGAR INDUSTRIES;
TOGETHER WITH THE
PROCEEDINGS OF THE COMMITTEE,
MINUTES OF EVIDENCE,
AND APPENDIX.

*Ordered, by The House of Commons, to be Printed,
29 July 1879.*

Resolved,—[*Tuesday 22nd April 1879*] :—THAT a Select Committee be appointed to inquire into the effects produced upon the Home and Colonial Sugar Industries of this Country by the systems of taxation, drawbacks, and bounties on the exportation of Sugar now in force in various Foreign Countries, and to report what steps, if any, it is desirable to take in order to obtain redress for any evils that may be found to exist.

Ordered,—[*Tuesday, 20th May 1879*] :—THAT the Committee do consist of Seventeen Members.

Committee nominated of—

Mr. Bourke.
Mr. Alexander Brown.
Mr. Sampson Lloyd.
Mr. Bell.
Mr. Thornhill.
Mr. James Stewart.
Mr. James Corry.
Mr. Norwood.
Mr. Balfour.

Lord Frederick Cavendish.
Sir James M'Garel-Hogg.
Mr. Collins.
Mr. Orr Ewing.
Mr. Morley.
Mr. Onslow.
Mr. Courtney.
Mr. Ritchie.

THAT the Committee have power to send for Persons, Papers, and Records.

THAT Five be the Quorum of the Committee.

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R E P O R T.

ECT COMMITTEE appointed to inquire into the Effects produced
e HOME and COLONIAL SUGAR INDUSTRIES of this COUNTRY
Systems of TAXATION, DRAWBACKS, and BOUNTIES on the
ATION of SUGAR now in force in various FOREIGN COUNTRIES,
report what steps, if any, it is desirable to take in order to obtain
for any Evils that may be found to exist;—HAVE agreed to the
; REPORT:—

MMITTEE have examined numerous witnesses upon the matters
.em; but having regard to the period of the Session at which they
they have agreed to Report the Evidence already taken, and to
hat the Committee should be re-appointed in the next Session.

79.

PROCEEDINGS OF THE COMMITTEE.

Friday, 23rd May 1879.

MEMBERS PRESENT:

Mr. Sampson Lloyd.
Mr. James Corry.
Sir James M'Garel-Hogg.
Mr. Thornhill.
Mr. Ritchie.
Mr. Bell.
Mr. Onslow.

Mr. Collins.
Mr. Courtney.
Mr. James Stewart.
Mr. Orr Ewing.
Lord Frederick Cavendish.
Mr. Alexander Brown.

Mr. RITCHIE was called to the Chair.

The Committee deliberated.

[Adjourned till Thursday, 12th June, at Twelve o'clock.]

Thursday, 12th June 1879.

MEMBERS PRESENT:

Mr. RITCHIE in the Chair.

Mr. Bourke.
Mr. James Stewart.
Mr. Bell.
Mr. Orr Ewing.
Mr. Thornhill.
Mr. Collins.

Mr. James Corry.
Mr. Morley.
Mr. Courtney.
Mr. Alexander Brown.
Mr. Norwood.

Mr. George Martineau was examined.

[Adjourned till Monday next, at Twelve o'clock.]

Monday, 16th June 1879.

MEMBERS PRESENT:

Mr. RITCHIE in the Chair.

Mr. Bourke.
Mr. Alexander Brown.
Mr. Courtney.
Mr. Bell.
Mr. Orr Ewing.
Mr. Thornhill.
Mr. Collins.

Mr. James Stewart.
Mr. Onslow.
Mr. Morley.
Mr. James Corry.
Mr. Balfour.
Sir James M'Garel-Hogg.
Mr. Norwood.

Mr. George Martineau was further examined.

[Adjourned till Thursday next, at Twelve o'clock.]

Thursday, 19th June 1879.

MEMBERS PRESENT:

Mr. RITCHIE in the Chair.

Mr. Bourke.

Mr. Onslow.

Mr. Courtney.

Mr. Bell.

Mr. James Stewart.

Mr. Alexander Brown.

Mr. Orr Ewing.

Mr. James Corry.

Mr. Collins.

Sir James M'Garel-Hogg.

Mr. Norwood.

Mr. *George Martineau* was further examined.

Mr. *James Duncan* was examined.

[Adjourned till Monday next, at Twelve o'clock.]

Monday, 23rd June 1879.

MEMBERS PRESENT:

Mr. RITCHIE in the Chair.

Mr. Bourke.

Mr. Courtney.

Mr. Orr Ewing.

Mr. Thornhill.

Mr. James Corry.

Mr. James Stewart.

Mr. Morley.

Lord Frederick Cavendish.

Sir James M'Garel-Hogg.

Mr. Balfour.

Mr. Norwood.

Mr. Bell.

Mr. *James Duncan* was further examined.

Mr. *A. W. Gadesden*, Mr. *John Neill*, and Mr. *Thomas O. Easton*, were examined.

Adjourned till Thursday next, at Twelve o'clock.

Thursday, 26th June 1879.

MEMBERS PRESENT:

Mr. RITCHIE in the Chair.

Mr. Bell.

Mr. James Corry.

Mr. James Stewart.

Mr. Morley.

Mr. Courtney.

Mr. Bourke.

Lord Frederick Cavendish.

Mr. Collins.

Mr. Thornhill.

Mr. Orr Ewing.

Mr. Alexander Brown.

Sir James M'Garel-Hogg.

Mr. *John Shephard* was examined.

Mr. *G. Martineau* and Mr. *James Duncan* were further examined.

[Adjourned till Tuesday next, at Half-past One o'clock.]

Tuesday, 1st July 1879.

MEMBERS PRESENT:

Mr. RITCHIE in the Chair.

Mr. James Corry.

Mr. Bell.

Mr. James Stewart.

Mr. Courtney.

Mr. Orr Ewing.

Lord Frederick Cavendish.

Mr. Morley.

Mr. Alexander Brown.

Mr. Bourke.

Mr. Collins.

Mr. Norwood.

Mr. Thornhill.

Sir James M'Garel-Hogg.

Mr. *Samuel Peters* and Mr. *Thomas D. Hill* were examined.

Adjourned till Friday next, at Half-past One o'clock.

Friday, 4th July 1879.

MEMBERS PRESENT :

Mr. RITCHIE in the Chair.

Mr. Alexander Brown.
Mr. Courtney.
Mr. Bell.
Mr. Orr Ewing.
Mr. Sampson Lloyd.
Mr. Thornhill.
Lord Frederick Cavendish.

Mr. Morley.
Mr. Collins.
Mr. James Corry.
Mr. James Stewart.
Mr. Onslow.
Mr. Balfour.
Mr. Norwood.

Mr. *Nevile Lubbock* was examined.

[Adjourned till Tuesday next, at Half-past One o'clock.]

Tuesday, 8th July, 1879.

MEMBERS PRESENT :

Mr. RITCHIE in the Chair.

Mr. Bourke.
Mr. Alexander Brown.
Mr. Courtney.
Mr. Orr Ewing.
Mr. Sampson Lloyd.
Mr. Balfour.
Lord Frederick Cavendish.

Mr. James Corry.
Mr. Collins.
Mr. James Stewart.
Mr. Onslow.
Sir James M'Garel-Hogg.
Mr. Norwood.
Mr. Bell.

Mr. *Nevile Lubbock* was further examined.

Mr. *Quintin Hogg* was examined.

[Adjourned till Friday next, at Half-past One o'clock.]

Friday, 11th July, 1879.

MEMBERS PRESENT :

Mr. RITCHIE in the Chair.

Mr. Alexander Brown.
Mr. Thornhill.
Mr. James Corry.
Mr. Collins.
Mr. Bell.
Mr. Onslow.
Mr. James Stewart.

Mr. Morley.
Sir James M'Garel-Hogg.
Mr. Sampson Lloyd.
Mr. Orr Ewing.
Mr. Courtney.
Lord Frederick Cavendish.

M. *François Georges*, M. *Charles Fouquet*, and M. *Léon de Mot*, were examined.

[Adjourned till Tuesday next, at Half-past One o'clock.]

Tuesday, 15th July 1879.

MEMBERS PRESENT:

Mr. RITCHIE in the Chair.

Mr. Onslow.
Mr. James Stewart.
Mr. Collins.
Lord Frederick Cavendish.
Mr. Sampson Lloyd.
Mr. Bell.
Mr. Courtney.

Mr. Thornhill.
Mr. Balfour.
Mr. Alexander Brown.
Mr. James Corry.
Mr. Norwood.
Sir James M'Garel-Hogg.

Mr. *Quintin Hogg* was further examined.

Mr. *Joseph B. Forster* was examined.

[Adjourned till Friday next, at Half-past One o'clock.]

Friday, 18th July 1879.

MEMBERS PRESENT:

Mr. RITCHIE in the Chair.

Mr. Courtney.
Mr. Alexander Brown.
Mr. Sampson Lloyd.
Mr. Collins.
Mr. Thornhill.
Lord Frederick Cavendish.
Mr. James Stewart.

Mr. Bourke.
Mr. Morley.
Mr. James Corry.
Mr. Balfour.
Mr. Norwood.
Sir James M'Garel-Hogg.
Mr. Bell.

Mr. *Frederick G. Walpole* was examined.

[Adjourned till Tuesday next, at Half-past One o'clock.]

Tuesday, 22nd July 1879.

MEMBERS PRESENT:

Mr. RITCHIE in the Chair.

Mr. Bourke.
Mr. Courtney.
Mr. Alexander Brown.
Mr. Sampson Lloyd.
Lord Frederick Cavendish.
Mr. Collins.
Mr. James Corry.

Mr. James Stewart.
Sir James M'Garel-Hogg.
Mr. Onslow.
Mr. Thornhill.
Mr. Norwood.
Mr. Balfour.

Mr. *George H. Chambers* and Sir *Louis Mallet*, C.B., were examined.

[Adjourned till Friday next, at Half-past One o'clock.]

Friday, 25th July 1879.

MEMBERS PRESENT:

Mr. RITCHIE in the Chair.

Mr. Bourke.
Mr. Courtney.
Mr. Bell.
Mr. Sampson Lloyd.
Lord Frederick Cavendish.
Mr. Collins.

Mr. James Stewart.
Mr. Alexander Brown.
Mr. James Corry.
Sir James M'Garel-Hogg.
Mr. Thornhill.
Mr. Balfour.

Mr. Frederick G. Walpole and Mr. George Martineau were further examined.

[Adjourned till Tuesday next, at Half-past One o'clock.

Tuesday, 29th July 1879.

MEMBERS PRESENT:

Mr. RITCHIE in the Chair.

Mr. Bourke.
Mr. Courtney.
Mr. Bell.
Mr. Sampson Lloyd.
Mr. Balfour.
Lord Frederick Cavendish.

Mr. Collins.
Mr. James Corry.
Mr. James Stewart.
Mr. Norwood.
Mr. Thornhill.

Sir Louis Mallet, C.B., was further examined.

DRAFT REPORT proposed by the *Chairman*, read the first and second time, and *agreed to.*

Ordered, To Report, together with the Minutes of Evidence, and an Appendix.

SCHEDULE OF EXPENSES.

MEMORANDUM.

No Expenses were incurred in the payment of Witnesses, but the following Payments were made for the translation of two French Documents.

[illegible]

MINUTES OF EVIDENCE.

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MINUTES OF EVIDENCE.

Thursday, 12th June 1879.

MEMBERS PRESENT:

Mr. Bell.
Mr. Bourke.
Mr. Alexander Brown.
Mr. Eugene Collins.
Mr. James Corry.
Mr. Cottrney.

Mr. Orr Ewing.
Mr. Morley.
Mr. Norwood.
Mr. Ritchie.
Mr. Stewart.
Mr. Thornhill.

C. T. RITCHIE, Esq., IN THE CHAIR.

Mr. GEORGE MARTINEAU, called in; and Examined.

Chairman.

1. You are a Sugar Refiner, are you not?—Yes.

2. How many years has your firm been engaged in loaf sugar refining?—About 70 years.

3. In addition to being a loaf sugar refiner you are Secretary to the Refiners' Association, are you not?—Yes.

4. Therefore, you are able not only to give us evidence with reference to your own individual experience as a sugar refiner, but also to speak for the sugar refining trade generally?—Yes.

5. Have you been engaged on the question throughout the negotiations that have taken place?—No, I have only been secretary since February 1872.

6. But are you personally acquainted with the negotiations that have taken place?—I am only acquainted with the previous negotiations, from 1863 to 1872, through the Blue Books.

7. But you have made yourself acquainted with the whole of the matter?—Yes, I have as well as I could.

8. Your firm refine loaf sugar only; they do not refine moist sugar at all, I believe?—We only manufacture moist sugar in connection with loaf sugar.

9. How long has the operation of the foreign bounties been felt in your trade?—I should say since the change in the duties in 1864.

10. Is it since that time only that the French and Dutch loaf sugar has taken the place of our own manufacture in our own markets?—Yes.

11. How is it that the operation of the bounties has been felt principally since 1864?—I think

0.104.

Chairman—continued.

I may say, that previously to 1864 the foreign refiners had obtained the command of the export markets, and had excluded our sugar from the export markets.

12. But what I rather want to know is why 1864 is the period since which the operation of the bounties has been felt?—There was a change in the scale of duties in 1864.

13. And it is since that time that our loaf sugar refining trade has fallen off?—Yes, since 1864.

14. How many loaf sugar refineries were there in existence in England in 1864?—As nearly as I can ascertain there were about 30 loaf sugar refiners altogether in Great Britain.

15. Can you give us an idea of the number of tons of raw sugar which those refineries converted into loaf sugar in 1864?—I can state what I have estimated it at. I have been endeavouring to get perfectly accurate figures; I do not think I can give the Committee the figures to a ton to-day, but so far as I can ascertain, after consulting with our former chairman, Mr. Gadsden, I should say that 200,000 tons of raw sugar a year were refined in the loaf sugar factories.

16. Can you state, from your own knowledge, what was the amount of capital employed in the refining trade at that time?—Estimating it under the three heads of, (1) dead capital, i.e. capital invested in plant and buildings; (2) the floating capital necessary for carrying on the business; and also (3) the capital employed in the trades subsidiary to the refining trade; I should say it might be safely put at 1,500,000 l.

A

17. You

Mr.
Martineau.
12 June
1879.

Mr.
Martineau.
12 June
1879.

Chairman—continued.

17. You have divided the capital into three categories; could you give us the amount in each of those categories?—I must, of course, guard myself by saying that this is a rough estimate. I could not, without making very minute inquiries, ascertain the exact figures; but this is an estimate which I have come to after consulting our former chairman, Mr. Gadsden. I have estimated that the dead capital would be about 600,000 *l.*, and that the floating capital necessary for carrying on the business would be about the same; and then I have put down 300,000 *l.*, which, of course, is a pure guess, as the amount employed in the other trades, which were supported to a certain extent, no doubt, by the loaf sugar refining.

Mr. Orr Ewing.

18. You mean more than a guess; you mean an estimate, I suppose?—I am afraid that this last item is a pure guess, but the others are fair estimates. The dead capital and the floating capital employed then in the loaf sugar refining industry would amount, I think, to 1,200,000 *l.*; and then I have put down 300,000 *l.* for capital employed in other industries connected with it; but that is a pure guess.

Mr. Bell.

19. What are those other industries?—Those other industries are of various kinds: coals, and the manufacture of casks and bags, and a variety of things; I cannot enumerate them at the moment.

Chairman.

20. Since 1864, has the decline in the sugar refineries been gradual; has the loaf sugar trade, at any period, ceased to exist at all?—I think that when our house closed in 1875 no house in the country was manufacturing loaf sugar.

21. In 1875 then, practically, the manufacture of loaf sugar ceased to exist in this country?—I believe so.

22. What is the position of things at the present moment; how many refineries are in existence now?—Out of the 30 that existed in 1864, ours is the only house which remains at work.

Mr. Morley.

23. But I thought you closed in 1875?—Yes, but we started again.

Chairman.

24. Why, having closed, did you start again?—A fortunate accidental circumstance occurred which enabled us to start again; and that was that the crop of beetroot in France fell off very much in 1876.

25. Are those loaf sugar refiners which have ceased to exist still in a position to resume work if it was necessary, or have they become engaged in other manufactures?—Some of the houses have been turned to other purposes entirely; the machinery has been taken out of them, and they have ceased to exist as sugar refineries; others are lying idle waiting for better times.

26. At the time when you started again in 1876, did any of the other refineries which had previously ceased to refine, also commence to refine again?—No, ours was the only one which started again.

27. What amount of capital do you estimate has been destroyed in consequence of those re-

Chairman—continued.

fineries being now unable to carry on the trade?—I have put the capital sunk in buildings and machinery at 600,000 *l.*, and the greater part of that has been of course lost, unless those refineries which are remaining idle are ever enabled to compete with the French again. There are only one or two left that are still ready to commence work again if necessary.

28. Is there any ground for saying that a decrease in the consumption of loaf sugar in this country has been instrumental in closing these refineries?—No; there has undoubtedly been a large increase in the consumption of loaf sugar.

29. Could you tell the Committee what quantity of loaf sugar is now imported annually?—One hundred and forty thousand tons in round numbers.

30. Where does that principally come from?—Principally from France and Holland.

31. How many tons of raw sugar does that represent?—I should say that it represents 200,000 tons of raw sugar.

32. Can you give us the value of that import?—Calculating it on the basis of the average value of refined sugar, it would be a little over 4,000,000 *l.*; I have put it down at 4,200,000 *l.*

33. Can you tell us what was the import of foreign loaf sugar in 1864?—I am sorry to say I cannot, but I am making inquiries on that subject. Unfortunately I have no statistics by me that date so far back. Perhaps I may be allowed to explain, with regard to this importation of foreign loaf sugar, that the only way in which I can get correct figures as to the importation of foreign loaf sugar is by referring to the official export returns from foreign countries, because the Board of Trade Returns, which give the import of refined sugar, include other kinds of sugar besides loaf sugar.

34. Then you have derived your knowledge from the returns of the export to Great Britain from France and Holland?—Quite so.

35. You, I suppose, have examined the statistics of exports from loaf-sugar producing countries?—Yes.

36. Can you tell the Committee what quantity of loaf sugar has been exported by those countries in addition to the export to Great Britain?—The principal countries that export loaf sugar are France, Holland, Germany, Austria, and America, I think we may say; and so far as I can ascertain, I should say that the annual export from those five countries amounts to 400,000 tons altogether.

37. And out of that I think you said that 140,000 tons came to Great Britain?—Yes.

38. So that they export 260,000 tons in addition to the quantity which we receive from them?—Yes.

39. Of course, it is needless to ask what our exports of loaf sugar are?—I do not think we export any loaf sugar, at least I am not aware that we export any. I know our house has not exported any loaf sugar to speak of.

40. Then our exports of refined sugar are not loaf sugar, they are moist sugar?—Yes.

41. Moist sugar refining is, of course, a different process altogether?—Yes, it is a different trade; it is not an entirely different process, but there are houses specially adapted for making moist sugar, and houses specially adapted for making loaf sugar.

42. A loaf sugar refinery cannot be suddenly turned

Chairman—continued.

turned into a moist sugar refinery?—Not favourably or advantageously.

43. Are there any that do both?—We all do both. Every loaf sugar manufactory has to turn out a certain quantity of moist sugar made from the after products of the manufacture of loaf sugar.

44. That is a necessity of producing loaf sugar?—Yes.

45. There is a certain amount of refuse which you cannot make into loaf sugar, and that is converted into moist sugar?—Yes.

46. So that so far as that goes all loaf sugar refiners make a certain amount of moist sugar?—Yes.

47. Supposing that the circumstances were similar in those various countries that you have mentioned, and in this country, is there anything which would prevent our obtaining a share of the export trade which those countries do; are we under any natural disadvantages as compared with them?—I think not; I think, on the contrary, we have natural advantages.

48. I suppose France is the largest loaf sugar manufacturing country?—It is the largest exporting country.

49. It is the largest sugar manufacturing country too, is it not?—Yes, I should think so.

50. Supposing that we take France, for example, is it your opinion, as a sugar refiner, that the refiners of this country are in a position to refine as cheaply or more cheaply than the French refiners?—I should say more cheaply.

51. What are your reasons for that opinion?—I should say the principal reason would be the price of coals.

52. The price of coals is much higher in France than it is in this country?—I understand that in Paris coals are more than double the price that they are here.

53. In France where are the loaf sugar refineries principally situated?—The large sugar refineries that compete with us in our own market, and also in the export markets, are situated in Paris.

54. I ought to have asked you before whether the refineries in France confine themselves to manufacturing loaf sugar, or whether they also make the moist sugar which is largely made here?—They must inevitably make moist sugar in the process of their manufacture, but they remelt it and convert it all into loaf sugar, I think, because loaf sugar is the kind of sugar which is universally consumed abroad. Of course, there is a certain small quantity of moist sugar consumed, but it is a very small proportion.

55. Have you made any inquiries or investigation into the cost of the production of loaf sugar in France, which would lead you to say that the cost of production there is greater than it would be here?—No, I cannot say that I have, beyond the well-known fact that coals cost more than double, in Paris, what they do in this country.

56. Do the coals form a large element in the question?—A very important element.

57. What would you call an average moderately sized refinery; how many tons a week would they refine?—Since the enormous increase in the consumption of sugar, of course the size of refineries has increased proportionately.

58. We will take, for instance, a refinery refining 500 tons of sugar a week; how many tons of coals would they require to make that amount

0.104.

Chairman—continued.

of sugar?—That depends entirely upon the kind of raw sugar that they use. The refiners who use a low class of raw sugar, use a much larger quantity of coals than those who refine a very fine quality of sugar. It would be about two tons of sugar to a ton of coal, or something of that kind on the average.

59. A refinery refining 500 tons of sugar would use 250 tons of coal?—Some would. It depends entirely upon the kind of sugar that they use, and also upon the mode of manufacture.

60. When I say refining 500 tons, I mean refining 500 tons of raw sugar?—Yes; that is what we always reckon.

61. What would that produce in loaf?—That depends upon whether you turn out all loaf sugar or partly loaf sugar and partly moist sugar; and it also depends upon the quality of the raw sugar that you are using.

62. But will you give us an average, taking your own case?—We vary considerably, according to the kind of raw sugar that we use. I will take the case of a French refiner who turns out nothing but loaf sugar; I should say he turns out about 90 per cent. of refined sugar, using a tolerably high class of raw sugar. I am sorry to say that I am getting rather rusty about manufacturing details, because I have been employed upon the sugar refiners' committee for so many years now.

63. You said, I think, that the great sugar refineries in France are near Paris?—They are in Paris; in the town.

64. That would lead one to suppose that, so far as the export trade is concerned, they were probably not very favourably situated as compared with ourselves, for doing an export trade?—It appears to us that they are most unfavourably situated, because they are in an inland town, a long way from the sea-coast.

65. That, of course, adds very much to the cost of putting the sugar on board ship?—Yes.

66. Whereas the sugar refiners here are at the port, and they can ship their sugar where they make it?—Certainly.

67. Do the French refiners employ raw beetroot sugar exclusively for manufacturing purposes?—They naturally employ it, almost exclusively, because they have the beetroot grown in the country.

68. Is the beetroot which they use grown near the refineries?—It is grown throughout the whole of the north of France. I should say that some of the beetroot is quite as near to the sea-coast as it is to Paris, or nearer.

69. What is the relative price of beetroot, without the duty, in Paris and in London?—The London refiners buy raw sugar in France, and therefore you may say that the difference, if there is a difference, is exactly the difference between the cost of carriage to London and the cost of carriage to Paris.

70. But in addition to having the French market to go to for their raw beet sugar, the English refiner has other markets to go to for his raw beet sugar?—Yes.

71. But notwithstanding that they have other markets, such as for instance the Austrian market, do the English sugar refiners find that they can buy their beet sugar in France, and bring it here as cheaply as they can buy the beet sugar imported direct from Austria?—I think, in former years, the largest imports were from France. I think

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think of late years the largest imports of raw beet-root sugar into this country have been from Germany and from Austria.

72. But you have not answered my question. Do the sugar refiners here find that they can buy their raw sugar as cheaply in France, and bring it to this country, as they can buy the raw beet sugar imported direct here from Germany or Austria?—The answer that I gave was intended to indicate what is the fact, because, of course if the importations from Germany and Austria are larger than the importations from France, it is clear that now the English refiners find that they can buy German and Austrian sugar cheaper than they can buy French sugar.

73. But I understood you to say, in a previous answer, that the refiners here do actually go to France for their raw sugar?—Yes, we buy certain classes of sugar in France. We buy the higher classes in France, and we buy the lower classes in Germany and Austria.

74. Do not the higher classes come from Germany and Austria?—The higher classes in Germany and Austria are used by the German and Austrian refiners. That is one of the details of the complicated system of duties and drawbacks in those countries. It enables the lower classes of German and Austrian sugar to be imported to this country, and the higher classes are used by the German and Austrian refiners.

75. Assuming that there is a bounty on the Austrian sugar, is the fact that the bounty is greater upon the low class than upon the high class, the reason why the imports from Germany and Austria here are principally of the low class?—Yes.

76. I suppose there is no attempt to say that there is any bounty upon the raw sugar exported from France?—No, none whatever.

77. Why?—Because they work in bond; it is all exported in bond and there is no drawback paid.

78. Is there any import into France of German or Austrian raw sugar?—They have to pay a surtax if they do import it.

79. That prevents its being imported?—I think it was imported in the year when the French beet crop fell off so considerably.

80. But as a matter of fact, taking one year with the other, does not France itself, grow within itself actually more raw sugar than it requires to consume?—Yes.

81. And hence they export a considerable quantity of raw sugar to this country?—They do.

82. I suppose the price of raw sugar in France itself is regulated really by the price of raw sugar in this country?—I think all the markets are and must be on a level as far as that goes; natural laws would involve that.

83. I do not know whether I asked you whether the French refiners used any cane sugar?—Yes, they have to import cane sugar occasionally. They principally import it in the summer time; when the beetroot crop is nearly exhausted, and before the new crop comes forward they have to import a certain quantity of cane sugar to fill up the void.

84. I suppose here refiners are never at any loss to get raw sugar of all kinds?—No, this country is the largest *entrepôt* in the world, I suppose, for sugar. There is always a stock of

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something like 200,000 tons of sugar in this country.

85. That, of itself, should give you some advantage over France, for instance?—Certainly, all the cane sugar which a Paris refiner imports he imports at a considerable disadvantage as compared with us.

Mr. Thornhill.

86. Do you know where he imports the cane sugar from?—I think they import Cuba sugar and Java sugar. They import the sugars that give them the most bounty, and they select them purely on that consideration, and on that consideration alone.

87. Is the cane sugar which the French refiners use imported direct into France, or does it come through this country?—They cannot import sugar lying in the *entrepôts* here because there is a *surtaxe d'entrepôt*.

88. Then, so far as the French purchasing cane sugar goes, they are in the same position as ourselves; they get it direct from the producing countries?—They either get it direct from the producing countries, or they buy floating cargoes lying at Falmouth.

89. That is really importing it direct if they buy it afloat?—We do not call that importing direct, but it is very much the same thing. At one time they imported a great quantity direct from Havana. They had their own agents at Havana for the purpose of selecting sugar which would give them the largest bounty on refining.

90. I believe France raised her sugar duties in 1871?—Yes; they were raised three times, I think.

91. When was the last occasion upon which they were raised?—I cannot recollect the exact date, but there was first a rise of three-tenths, I think, in 1871; then there was a rise of two-tenths, either at the close of 1871 or in the beginning of 1872; and then I think there was a further rise afterwards, but I forget how much it amounted to.

92. Assuming for the moment that there is a bounty in France, of course, the higher the duty the greater the bounty?—Clearly.

93. So that I suppose the pressure upon the sugar refiners in this country became greater after 1871 than before it?—Certainly, the bounty was increased by 50 per cent.

94. In consequence of their increase of duty?—Yes, and that increase stimulated their efforts to obtain the bounty to such an extent that I think the bounty was really increased to a larger proportion than 50 per cent.

95. What is the relative duty in France and Holland?—The duty in Holland at present is 27 florins per hundred kilogrammes, and the duty in France is 73 francs 32 centimes, that is on refined sugar.

96. Twenty-seven florins is equal to about 54 francs, is it not?—Yes, I think a florin is equal to two francs.

97. So that we may take it that the French duty is roughly half as large again as the Dutch duty?—Yes.

98. Assuming that a bounty is given in both those countries, of course, the bounty in France would be considerably greater than the bounty in Holland?—Yes.

99. Is that having any effect upon the Dutch refining?—Yes, I think it is.

100. Has

Mr. Thornhill—continued.

100. Has the export of refined sugar from Holland fallen off at all since the increase of duty in 1871?—Yes, I think it has.

101. Have you got the figures?—In our memorial of May 1872 I see we give the exports from France and Holland compared. The year 1871 would not be a fair criterion to take, because it was during the French war; but in 1869 Holland exported 94,658 tons and France exported 99,348 tons. That was the year before the French war.

102. Can you give us the present figures?—I would rather give the figures for 1875, I think, which was when the bounty was most felt. In 1875 France exported 215,672 tons. I am sorry to say that I find I have not got the Dutch figures for 1875, but I have for the years 1876, 1877, and 1878. In 1876 the French export was 186,922 tons, which was not so large as it was in 1875; and the Dutch export for 1876 was 75,708 tons. Then it fell off in 1877 to 63,821 tons.

Mr. Thornhill.

103. Was that owing to the failure of the beet crop in 1876?—The figures that I was quoting were with reference to Holland. The French export fell off in 1877 in consequence of the failure of the beet crop; it only amounted to 153,541 tons.

Chairman.

104. But taking the years 1869 and 1876 in both countries, the result appears to be that France doubled her export and that Holland fell off about 25 per cent.?—That is about it, I think; the Dutch export fell off from 94,000 tons in 1869 to 75,000 tons in 1876.

105. You previously stated that the bounty was much larger in France than in Holland, in consequence of the increased duty in France; therefore, those figures would tend to show that the French bounty was killing the Dutch export?—Yes.

106. Therefore that might be taken almost as a proof that the French bounty is larger than the Dutch bounty?—I think so.

107. Can you give us any idea of what the amount of the bounty in Holland is now?—It is impossible for any person accurately to calculate the amount of any of these bounties, because they are worked out on a basis which cannot be reduced to accurate mathematical calculation; but it has been stated in Holland, by one of the leading officials connected with the Customs of that country, that the Dutch bounty amounts to 1,800,000 florins.

108. Who is that gentleman?—Mr. Toe Water.

109. So that, if that statement be correct, it follows that the French bounty must be larger than that?—One would naturally infer that.

110. Do you believe that there is any other cause in existence at all, except the bounties, which has led to the falling off in the production of loaf sugar in this country?—Oh no, certainly not.

111. You believe that it is solely owing to the action of the bounties?—Certainly.

112. There is still, of course, a large quantity of moist sugar refined here?—Very large; it has increased immensely with the increase of consumption.

113. The bounty, if any exists, does not affect

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the moist sugar?—They do not obtain any bounty on the exportation of moist sugar.

114. Was there any attempt made by any of these foreign Governments to apply the same system of bounties to moist sugar, with a view of stimulating that trade?—I cannot say that directly; but a law which was brought in in France in 1871 would have had that effect. I cannot follow you by saying that it was brought in with that object, but in our opinion it would have had that effect.

115. In your opinion, if that law had been passed, the same thing which has occurred to the loaf sugar industry of this country would have occurred to the moist sugar industry?—Yes; and I am confirmed in my opinion in this way: I had reason to believe that the Paris refiners were making preparations, in the expectation that this law would be passed, to manufacture what is called in this country "crushed sugar," that is to say, moist spoon sugar, for competition with the English refiners.

116. Can you tell us what it was that prevented that law being passed?—That is a long story, and I would rather explain that as we come to it. It is a very complicated story, but it is, I think, a most important point to explain to the Committee.

117. Can you explain to the Committee how this bounty, which you say exists, is obtained?—It is obtained purely from the fact of drawback being paid on export.

118. But it would not necessarily follow that, because there was a drawback, therefore there was a bounty?—We think it does necessarily follow.

119. If the drawback which was given was an exact equivalent to the duty, and supposing that no fraud existed, it would not be a bounty?—But we have reason to believe that it is utterly impossible to make the drawback an exact equivalent to the duty; and it is not likely that the drawback would be framed in such a way as to involve an absolute loss to the exporter; although in this country, after the legislation of 1864, it was certainly so arranged that we should have incurred a loss by exporting loaf sugar.

120. But I imagine that your argument that a bounty exists is based upon a much stronger foundation than the mere belief that any system of drawback would lead to bounties?—Yes. We are ready to point out, in the case of each of the countries, exactly where the defects of the system are.

121. Is the drawback which is allowed in the refined sugar producing countries estimated upon the same basis in all the various countries?—No, upon very different bases.

122. Can you give us any information as to the way in which the drawbacks are estimated in those countries?—Yes; if we take the seven countries, France, America, Holland, Belgium, Germany, Austria, and Russia, there is one system, which applies to France and America; there is another system which applies to Holland and Belgium; there is another system which applies to Germany, and another which applies to Austria and Russia.

123. Could you give shortly, and in such a form as we can understand, the mode in which these drawbacks are estimated?—In France and America the drawback is calculated on the estimated

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mated yield of refined sugar from the raw sugar which is refined.

124. So that if the yield of refined from raw is greater than the estimated yield, that surplus quantity pays no duty?—Yes.

125. And it receives back a duty on export which is never paid?—Yes.

126. And that, of course, is bounty?—Yes.

127. Then, in Holland and Belgium how is the drawback estimated?—In Holland and Belgium the same system applies to imported sugar as in France and America; but a different system applies to the sugar which is produced in the country. The system applied to the sugar produced in Holland and Belgium is this: that the quantity of sugar liable to the duty is estimated on the density of the juice which is extracted from the beetroots. Therefore, if the estimate is too low there is a certain quantity of sugar which enters into consumption free of duty.

128. What is the system in Germany?—In Germany the system is again totally different. There the estimate of the duty to be levied is the weight of the roots before they commence to be manufactured into sugar. They take the weight of the roots, and they levy the duty on the weight of the roots in fact; but, of course, it is theoretically on the supposed quantity of sugar which those roots yield in the manufacture. Therefore, if the roots yield more than the quantity estimated, then there is a certain quantity of sugar which is free of duty.

129. Are you speaking now about the bounty on refined sugar?—No, I am speaking about the bounty on the home manufactured sugar.

130. On the raw sugar?—On the raw sugar.

Mr. Orr Ewing.

131. Is it the bounty that you mean, or the duty?—The duty.

Chairman.

132. When you were speaking of Holland and Belgium, were you speaking also with reference to the bounty on the raw sugar?—No, I said that in Holland and Belgium the same system with regard to raw sugar was in force as in France and America; but that with respect to home-grown sugar the duty was paid in the sugar factories on the density of the juice; and, the duty of course having been once paid, that raw sugar when it entered into the refinery would not be subject to the same duty as the imported sugar.

133. That system is not possible in France, because the sugar is made from the beetroot under bond?—Yes, and therefore the sugar made in France it treated in exactly the same way as sugar imported from Cuba.

134. What system is in existence in Austria and Russia?—The system in Austria and Russia is different from the others. There the quantity of sugar, which is supposed to be produced by the roots, is estimated not on the density of the juice, nor on the weight of the roots, but on the capacity of the apparatus for dealing with a certain number of roots in 24 hours. Of course in Germany, and Austria, and Russia, the home industry is the whole question, because they produce all the sugar that they want for consumption.

Mr. Thornhill.

135. I understood you to say that in Germany it is levied on the estimated weight of the roots?—Yes; I should like to explain any point with regard to these modes of levying the duty, if it is not quite clear to the Committee; if it is not quite understood how the levying of the duty affects the question of the bounty on export.

Chairman.

136. Will you explain again, in your own language, how the bounty is obtained?—The bounty is obtained by the raw sugar producing more refined sugar than it is estimated to produce, and the whole of the refined sugar receiving a drawback on export as if it had all paid duty.

137. How is it obtained in Holland and Belgium?—In Holland and Belgium if the density of the juice does not indicate the full quantity of the raw sugar produced, and if that raw sugar were to receive a return of duty on export as if it had paid duty, then there would be a bounty on exported raw sugar from Holland and Belgium.

Mr. Eugene Collins.

138. Do you intend your answer to apply altogether to the production of raw sugar from a certain quantity of juice?—Yes.

139. And only that?—Only that.

140. It does not apply at all to circumstances affecting the manufactured sugar, that is to say, the loaf sugar when exported?—When the duty is levied on the sugar in the form of juice, it is clear that the sugar, having once paid duty, there is no further estimate necessary which would involve any further incorrect calculation of supposed yield.

141. That is the point of difficulty that I see; because, if the estimate be taken upon the quantity of raw sugar manufactured from a certain quantity of juice, the duty would apply as much to the sugar made from that used in the country as it would to the sugar made from it and exported; because, if the standard be the same throughout, it must affect the one as much as the other?—If the juice produce more sugar than it is estimated to produce in the scale on which the duties are levied, then it is clear that there is a certain quantity of sugar produced which has not paid the duty which it is supposed to have paid.

142. Then will not the duty levied upon the raw sugar produced from the juice applied to that raw sugar consumed in the country, as well as to that raw sugar converted into loaf sugar for the purpose of export?—I am sorry to say that I do not quite understand the question; but, of course, the error in the estimate is an error in the estimate of the yield of the raw sugar from juice; therefore the bounty will be a bounty upon the export of raw sugar.

143. If the duty be levied according to the scale that you stated, viz., the density of the juice, it must apply to all sugar manufactured alike, that is to say, to the raw sugar which is consumed in the country as well as to that raw sugar which is converted into loaf sugar for export, inasmuch as the manufacturer could not profit by a bounty, for there is no second system of taking an estimate; the first estimate is the simple estimate of the density of the juice, and if the duty is levied upon it, that applies to the home consumer as well as to the exporter who receives it in the form of loaf sugar; is there any

Mr. *Eugene Collins*—continued.

any other system or mode of levying or taking a duty, after the first system has been gone through, viz., that of simply taking it upon the density of the juice?—No, the levying of the duty is final. You are perfectly right in saying that it (*i.e.* the Belgian system) operates as a reduction of duty to the consumers in the country.

Mr. *Orr Ewing*.

144. Or, in other words, it is another mode by which the manufacturers of sugar in foreign countries obtain a profit because they do not pay duty?—I do not think that, practically, it really amounts to a profit. Of course it looks as though it amounted to a profit, and no doubt is a stimulus to the production of sugar in the country where such a system exists; but it really amounts to this: that competition, after a few years, becomes so keen that the consumer gets the benefit, and he no longer pays the theoretical duty according to the tariff; he pays the practical duty which has come about owing to the defects of the system.

145. Supposing that a distiller in this country were allowed to make an estimate of what the grain produces, and that, instead of paying on the full extent of the alcohol made, he paid perhaps on 90 gallons instead of 100, surely that would enable him to derive a profit in selling it, because he would not be likely, unless he was very hard pushed, to give the benefit to the trade?—No doubt it would be a profit to the distiller, but, if all the spirits consumed in this country were manufactured in this country, it would very soon cease to be a profit to him. It would only be a profit to him so long as more spirit was consumed in the country than was produced in the country.

Mr. *Alexander Brown*.

146. The benefit, if any, according to the Dutch and German systems, would be to the consumers in their own country as well as to the consumers abroad?—Certainly, the consumer in the country benefits. It amounts to a certain reduction of duty to the consumer.

Mr. *Courtney*.

147. As I understand it, in Holland, supposing that, on the turning out of juice there is a duty of 250 florins a ton, that is the kind of way in which the duty is imposed, is it not?—Perhaps I had better explain the technical way in which it is done. Taking Belgium as an example, the duty is levied, I think, in this way: the quantity of sugar is estimated, because the duty is really levied on the sugar, and not on the juice. In Belgium the estimate is 1,500 grammes of sugar for every hectolitre of juice and for every degree marked on the densimeter. They debit every hectolitre of juice with 1,500 grammes of sugar per degree of the densimeter. The saccharometer decides exactly the density of the juice, but it does not indicate the amount of sugar.

Mr. *Bell*.

148. Whatever the density of the juice be it must give a fixed quantity of sugar on every occasion?—In practice it is not so. The purer 0.104.

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the juice is, the greater the quantity of sugar per degree of the densimeter. This system of levying duty on the juice is clearly a system which is very much open to fraud, because, when the density of the juice is taken, a small quantity of juice is poured into a small vessel and the densimeter is inserted in that vessel, and there is immense opportunity for inserting a quantity of water at the same time.

Chairman.

149. Supposing that you were a French refiner, and you wished to obtain this bounty, would you give a short account of the mode in which you would pay your duty, and the mode in which you would receive the bounty on export to this country, for instance?—In France it would be done in this way: I should first of all secure a raw sugar, which, according to the scale of duties, would be exactly at the top of one of the classes. I had better, perhaps, explain first the scale of duties. The scale of duties, according to the Convention of 1864, was this: there were four classes, and they were regulated according to a series of standards of colour, which were called the Dutch numbers, and which ranged from 1 to 20, No. 20 being the whitest, and No. 1 the brownest. Those classes were ranged in four divisions, and an outside division at the higher extremity, which was called refined sugar; that is to say, everything above No. 18 of the Dutch standard was called refined sugar. From No. 14 to No. 18 was called the 1st class, that was the finest class of sugar; from No. 10 to No. 13 was called the 2nd class; from No. 7 to No. 9 was called the 3rd class; and below No. 7 the 4th class.

Mr. *Morley*.

150. Are those duties for revenue?—Yes, for revenue. Then I should explain that, having classified the sugar according to its colour, the convention established next how much each of those classes was to be estimated to yield in refined sugar; and when I give the history of the progress of the negotiations, it will be seen that, eventually, they came to this conclusion, that the first class was to be estimated to produce 94 per cent. of refined sugar, the second class 88 per cent., the third class 80 per cent., and the fourth class 67 per cent. Now I will go on to answer the Chairman's question. If I were a Paris refiner I should proceed in this way: whether it be sugar in the 1st, 2nd, 3rd, or 4th class would not matter, but we will take the 3rd class of sugar, ranging from No. 7 to No. 9 of the Dutch standards. I should proceed to select a sugar which would be exactly at the top of that class, because it is perfectly clear that if the Nos. 7 to 9 were estimated to yield 80 per cent. as an average, the highest of the class would yield more than 80 and the lowest would yield less than 80. Therefore I should select the highest, and that would be the legal way of obtaining a bounty. But then I should go farther than that, and I should try to obtain a sugar which would be classed between Nos. 7 and 9, but which would properly belong to the class above it, or to the two classes above it, if I could get it, and which would really yield 88 per cent. or 94 per cent.

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151. But

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151. But having selected the sugar which you think would yield the largest amount of bounty, what process would you then have recourse to?—Then I proceed to extract the refined sugar from it, and if I had selected a sugar which was estimated to yield 80 per cent., and which really yielded 90 per cent., I should obtain 90 per cent. instead of 80 per cent.; I should pay duty as if it only yielded 80 per cent., and I should have 10 per cent. of sugar without duty at all. I should then present that 10 per cent. of sugar for exportation, and I should receive for that a certificate of export. In our country we should receive the drawback in hard cash for those 10 tons or kilogrammes; but in France you receive a certificate of export, and with that certificate of export you can proceed to pay duty on other sugar. It is accepted by the French Custom House the same as a Bank note, and you can sell it. The nominal duty at present in France is 73 francs 32 centimes, and the certificates of export are sold every day in the market at an average price of about 75 francs.

152. You pay the duty when you get your raw sugar into the refinery?—Yes. I began my story on the supposition that I was an English refiner, but the French refiner proceeds to enter for temporary admission, as it is called, these 100 kilogrammes of raw sugar, estimated to yield 80 per cent.; and he is bound, under a bond, to present certificates of export of 80 kilogrammes to release him from the charge for duty on those kilogrammes within four months. If he does not do so, he has to pay the duty in cash. The French refiner having extracted 90 instead of 80 kilogrammes receives a certificate of export for the other 10 kilogrammes, or he puts the other 10 kilogrammes into the market, and in either case he gets a bounty equal to the full duty upon 10 kilogrammes.

153. In that case he does not pay the duty on one-tenth?—No; he would be debited with the duty.

Mr. Morley.

154. Would the advantage which you would get by selecting the sugar which would be more productive be a fraud, or not?—I think selecting a sugar which would come just within the top of the class would be perfectly legitimate; but I think it is an open question whether the procuring that the sugar should be artificially coloured, so as to appear to belong to the fourth class, when it really belonged to the second, or third, would be a fraud or not.

155. Then I understand that the French refiner gets a drawback upon the 10 per cent. The bounty is paid on the 80 per cent.?—No.

156. I understand that he makes 90 per cent.?—He makes 90 per cent., and the bounty is obtained on the 10 per cent.

157. He not having paid on the 10 per cent.?—Quite so; the duty is paid on 80 per cent.

158. You really get bounty, or drawback, upon 90 per cent., having paid duty only on 80?—Bounty and drawback are two different things. Drawback involves a bounty, but a drawback is really a return of duty.

Mr. Thornhill.

159. Supposing that you selected a bad class of sugar which only brought 80 per cent., you would not then get any drawback?—No.

160. Nor any bounty?—No.

Mr. Morley.

161. If you only get the 80 per cent. you get the bounty on that, do you not; I do not quite see the distinction between drawback and bounty?—The refiner takes a raw sugar, which is estimated to yield 80 per cent., and he is charged a duty on that raw sugar, which is 80 per cent. of the duty on refined sugar, at least he ought to be, according to the terms of the Convention. Therefore, if it only yields 80 per cent., he merely gets for the 80 kilogrammes of refined sugar, which he produces from these 100 kilogrammes of raw sugar, the duty which he has paid, therefore there is no bounty. That would be the estimate of a proper and reasonable drawback, but, as there is every opportunity and every temptation to obtain more sugar than the sugar is estimated to yield, the drawback always involves more or less bounty.

Mr. Eugene Collins.

162. Has the French manufacturer this additional advantage. We will take the first Dutch standard from No. 14 to No. 18; of course a man will select the best sugar in order to get the larger amount of produce; but, in addition to that, is it possible, or is it the practice at all, that a lower number, that is to say a lower standard, might be artificially either depreciated or increased, so as to affect the duty fraudulently as regards the Government?—The colouring of sugar has been a notorious practice in France.

163. That is done to some extent for the purpose of defrauding the Government?—Undoubtedly.

164. Is that a large element to the prejudice of the English manufacturers?—That has been a large element in the bounty obtained by the French refiners.

165. Practically, have the English manufacturers, in the consideration of the subject, ever endeavoured to establish a value, or to estimate a per-centage with regard to that difference; have they ever estimated that that fraudulent colouring made a difference of two, or three, or four, or five per cent.?—Instances have been known of sugar being so coloured as to falsify its yield by fully 10 per cent., if not more.

Chairman.

166. At the commencement of the negotiations upon this subject, it was fully recognised by all the Powers that took part in those negotiations that a bounty did exist?—I think so.

167. And the object of the negotiations, I understand, was to put an end to the bounty?—Yes.

168. Did France, for instance, admit that a bounty actually did exist?—May I quote from Mr. Ogilvie's letter of 1863, in answer to that question? Mr. Ogilvie was Surveyor General of Her Majesty's Customs, and he was delegate of the British Government at a number of these early conferences, and he conducted the negotiations in a very able and skilful manner. This is a copy of the letter from the Commissioners of

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of Customs to the Treasury, contained in Parliamentary Paper, No. 470, of 1863. This is Mr. Ogilvie's report of the proceedings of the International Conference between the representatives of Belgium, France, Great Britain and Holland, respecting the drawbacks on refined sugar, held at Paris in 1863. It is a letter of considerable length, occupying about 20 pages. There is no date to it, but it is addressed by R. A. Ogilvie to the Right Honourable William Ewart Gladstone.

169. The date of the communication which covered it was the 13th of June 1863, was it not?—Yes. The origin of the negotiations is stated in this letter. "Having been appointed, in conjunction with Mr. Mallet, of the Board of Trade, by the Lords of the Treasury to represent the British interests at the International Conference recently held in Paris, for the purpose of considering the possibility of establishing in the respective countries represented some uniform regulations for the allowance of drawback on the exportation of refined sugar, I have the honour to lay before you the copy of the '*procès verbaux*,' or minutes of such conference." * * * * *

"The suggestion to hold such conference first occurred in the negotiations between France and Belgium, and was subsequently embodied in the Treaty concluded between those two countries in 1861; and was also introduced into the Protocol annexed to the Treaty of Commerce between Belgium and Great Britain, concluded in August last." That appears to be the origin of the negotiations, but I have not those documents.

170. The question that I put was whether France or any of those other countries admitted that bounties did exist at that time?—I was answering the question that you had put before about the origin of the negotiations, as I happened to have the paper in my hand. Mr. Ogilvie quotes from the President's opening address, which is on page 3. He says: "The President opened the proceedings by observing that, 'The object of the French Government in calling together the conference was to ascertain if it were possible to establish some common principle by which the rates of drawback allowed in the respective countries on the exportation of refined sugar could be regulated. Hitherto France, Great Britain, Belgium, and Holland, had imposed upon themselves the sacrifice of public revenue to encourage the exportation of refined sugar. It was the desire of France, and no doubt of the other countries too, to relieve the Treasury from a charge, the only effect of which is to permit refined sugar being sent to foreign markets at a lower price.'"

171. That, of course, practically admitted that a bounty existed?—Yes. I can quote other admissions of the existence of bounty if you wish. It is rather important.

172. Who was the President?—Monsieur Barbier.

173. There was a conference, I believe, in 1863; what was the result of that conference?—Mr. Ogilvie states the result in this same letter that I am quoting from, at page 7: "Various proposals and counter-proposals having been made and discussed, the project contained in the 9th *procès verbal*, and of which I have annexed a translation, was finally adopted by the representatives of the three countries. The principal features of the project may be thus summed up: The basis of the tariff to be the duty upon refined

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sugar, the standard of which must be clearly defined, and the same in the several countries, each Government being at liberty to fix the amount of such duty according to its own views. Raw sugar to be divided into three classes" (it was afterwards changed to four) "the limits of which to be regulated according to qualities indicated by certain determined Dutch numbers, and represented by fixed and legally approved standards, and the duties to descend from that charged upon 'refined' in a uniform and settled proportion. All sugar equal to No. 19 (Dutch) to be deemed refined. First class of unrefined to include sugar superior to No. 14, and inferior to No. 19; second class, equal to No. 10, and not superior to No. 14; third class, all inferior to No. 10."

174. This conference led to the Convention of 1864, did it not?—Yes.

175. That Convention was for what length of time?—For ten years.

176. Was Mr. Mallet one of our delegates?—The present Sir Louis Mallet, then Mr. Mallet, was present at the conferences which resulted in the Convention of 1864; I rather think he was not present at these conferences in 1863, but he wrote a report supplementary to Mr. Ogilvie's report upon those conferences of 1863.

177. Was that report to the effect that the Convention was likely to be a satisfactory one?—I think not altogether. At page 69 of the same Parliamentary Paper Mr. Mallet says: "The scheme submitted by the majority of the delegates is certainly very far from a complete solution of the question examined by the conference. Such a solution was obviously impossible, under the conditions of our inquiry. I am of opinion that no settlement of this question can ever be complete and satisfactory, until *ad valorem* duties upon sugar are adopted. By this course alone can an equitable and self-acting rule be afforded for the regulation of drawback."

178. Was there any power in that Convention itself to establish a more satisfactory mode of dealing with the question, than was established by the Convention?—I think there is an article which deals with that point, Article 21, at page 8 of the Papers concerning the execution of the Convention of 1864, which says: "The high contracting parties, however, reserve to themselves the power of introducing into the Convention, by common agreement, any modifications not inconsistent with its spirit or its principles, and the utility of which may be shown by experience."

179. I believe for the full carrying out of that Convention, it was necessary to have the yields from the raw sugar fixed?—Yes; they only adopted provisional yields at first. The provisional yields were stated in Mr. Ogilvie's letter at page 14 of the first Paper that I quoted from. The provisional yields were 87 the first class, 85 for the second, 81 for the third, and 76 for the fourth. In the Conferences of 1863 they only fixed upon three classes, but in the Convention of 1864 they decided to have four classes, and they decided to have these provisional yields.

180. When were the yields absolutely established?—They decided at the Conferences of 1864 that international experiments in refining should be made which should establish, by direct experiment, the yields of the classes.

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181. Those

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181. Those experiments were carried out in Cologne, I believe?—They were carried out in Cologne, in a neutral country.

182. And they were adopted at a further conference?—They were adopted at a conference in 1866. The conference in 1865 was to formulate the regulations for the carrying out of these experiments; and then the experiments were carried out, and another conference was held in 1866, in order to agree to adopt those yields which had been established at Cologne.

183. The Convention then having been agreed to, and the yields having been fixed, did all the countries, parties to that Convention, proceed to carry out the Convention by legislation?—No; they did not. This country, and Holland, and Belgium, adopted a scale of duties in exact proportion to the yields which had been established and adopted at the Conference of 1866; but France never made any alteration in its sugar duties entirely.

184. France, in point of fact, never carried out the Convention?—It never carried out the Convention entirely.

185. Were any remonstrances addressed to France at the time?—Yes, I think so. I should like to refer to the Blue Book about that. At page 63 of the Papers concerning the execution of the Convention of 1864, there is a reply which I think indicates that there was a remonstrance, but I have not the reference to the remonstrance. The letter is dated Paris, March 7th, 1867, enclosed in No. 13, from Monsieur Herbert to Mr. Fane: "In replying on the 25th of February last to the letter which you did me the honour to address to me on the 21st of that month relative to the application of the new system of sugar duties, I added that I had requested the Minister of Commerce to enable me to furnish you with the table of duties and drawbacks established for France, which you had expressed the wish to receive. M. de Forcade has now pointed out to me that the information requested by the English Administration so far as relates to the yields, is contained in the Declaration of the 20th of November last." (I recollect that the English Government wrote to ask what steps the French Government were going to take in order to carry out the Convention.) "With regard to the amount of duties on importation into France, there is no change to be undergone; there would in fact have been occasion to modify them only in case the amounts of the yields had been reduced or augmented. Now, in adding up the yields established by the last arrangement, and on comparing them with those which were fixed by the Convention of November 8, 1864, it will be found that the average of the yields is exactly the same in both cases." That appears to be the excuse given by the French Government for taking no action.

186. As a matter of fact they took no action at any time under that Convention?—They took no action.

187. Then did France continue to carry on that system of drawbacks in precisely the same way as was the case before the Convention of 1864?—No.

188. She made a change, but not the change agreed to under the Convention?—Not the full change agreed to under the Convention.

189. She did make a change?—I could explain better what France did do, and what she did not

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do, if you would allow me to quote a few passages from this book. At page 67, enclosure No. 2, in No. 16, there are detailed replies by the French Government to questions put to them. The first question they were asked was, precise information as to the mode of carrying out the Convention of the 8th of November 1864, and the reply is: "The regulations are laid down in the annexed instructions, dated 25th July 1865. No further alteration is necessary than that resulting from the Declaration of the 20th November last. A decree will be issued approving this Declaration, and rendering it binding. In France the scale of duties will not be altered as in other contracting countries in accordance with the experiments made last year. It is only those countries granting a uniform drawback, or a discharge of duties that are bound by the 4th Article of the Convention to establish an exact correlation between the duties and the yields. Our actual duties therefore remain unaltered. As regards exportation, it will still be carried on under the system of temporary admission (*admission temporaire*) sanctioned by the law of 7th May 1864, annexed; so far, however, as the regulations of this law are not in opposition to those of the International Convention. Thus, raw sugars will be classed in conformity with the 1st Article of the Convention, in four categories, and the yields in refined loaf sugar allotted to each will be fixed as follows."

Mr. Eugene Collins.

190. Will you give the figures, because that may be a very important point?—The figures were the figures arrived at by the experiments at Cologne; 94 per cent. for the first class, 88 per cent. for the second, 80 per cent. for the third, and 67 per cent. for the fourth.

191. The temporary figures were 87, 85, 81, and 76, were they not?—Yes, those were the provisional yields.

192. When were those altered?—Those were altered as the result of the experiments. The result of the experiments was, that they found that the first class yielded 94 per cent. on an average, the second class 88, the third class 80, and the fourth class 67. France now says that she does not propose to put those duties in correlation, because it is only those countries granting a uniform drawback or discharge of duties that are bound to do so; and, if you will allow me, I will point out exactly how that matter stood. It is the translation that I have read; in the original French the words are "*un drawback unique ou une décharge de droits.*" Those words are rather important. The translation is at page 67, and the original French is at page 65. Now this answer refers to the law of the 7th of May 1864, annexed. Article 5 of that law, which is at page 78, states: "Sugars, unrefined, of whatever origin, will obtain the right of temporary free admission (*admission temporaire*) under the conditions determined as follows:—Temporary admission will only be compulsory with regard to sugars to be refined for exportation. Sugars declared for temporary admission will require bonds with sureties (*obligations cautionnées*). These bonds must be discharged within a time not exceeding four months, either by the exportation after refining, or by depositing into warehouse (*entrepôt*) a quantity of refined sugar corresponding

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ing to the yields laid down in Article 6, or by payment of the duties and surtaxes chargeable on the raw sugars tendered." There the word *discharged* is used as indicating that the charge for duty is discharged by the exportation of refined sugar. The answer to the question put by the British Government was that France was not bound to make any alteration, because she did not have any discharge of duties. Then, in order to confirm my contradiction to that, I will refer to the circular of the 31st of May 1864, which is at page 80, and which is a circular for the carrying out of this law that I have have just quoted from. At the bottom of page 80 there is this passage: "*L'Article 5 autorise l'admission temporaire de sucres bruts de toute origine et la substitue au système de drawback actuellement en vigueur.*" "Article 5 authorises the temporary admission of raw sugars, of whatever origin, and substitutes this for the drawback system actually in operation." So that the temporary admission system was substituted for the drawback system. Then the circular goes on: "Sugars entered under the regulations of temporary admission will be delivered under bonds with sureties, which, as regards the functions or the privileges of the Treasury, and the responsibility of the sureties will have all the characteristics of bills given for the payment of duties." (So that temporary admission was really entering into a bond to pay duty on the sugar entered). "In case of failure or suspension of payment the forms of proceeding will be the same. The sum stipulated in the bonds must be *discharged* within a delay of at most four months without new credit or discount" (then there is a note: "Temporary admission constitutes in itself a real credit;" so that the entry of sugar for temporary admission was entering into an engagement to pay duty after the lapse of four months), "either in cash or in certificates from the service of the Customs and indirect taxation, certifying to the exportation or to the deposit in warehouse (*entrepôt*) of a quantity of refined sugar corresponding to the quantity of raw sugar tendered." So that it appears from that that the system of temporary admission was really the entering of the raw sugar and giving a bond for the payment of the duty within four months.

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193. Is that the system which has been in operation in France ever since that time?—France has maintained that system, and there is no particular objection to it; but, on the ground of having that system, it excused itself from carrying out the terms of that particular article of the Convention which stipulated that each country was to put its duties in correlation with the scale of yields established by the Convention.

194. Would the Convention of 1864, if it had been carried out, have been satisfactory in getting rid of these bounties?—No, it would not, but it was rendered more unsatisfactory by the failure of France to carry out this article of the Convention for the establishment of a correlation between the duties and the yields; and I will explain why it was made more disadvantageous to us in that way. By maintaining the law of 1864, the French Government maintained the admission of pure white sugar, or as nearly pure as possible, practically pure sugar, into the refineries at a lower duty than the duty which they would have

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paid under the terms of the Convention; and that is one of the most serious points that we have had to contend against in competing with the French refiners since that time, that they have had the advantage of using pure white sugar, which issued by them notoriously and admittedly, to the extent of 30 per cent. of their total melt, at a lower duty than the duty which it ought to have paid according to its yield.

195. Then it amounts to this: that the Convention of 1864 was not carried out?—Certainly not.

196. But if it had been carried out, would it, in your opinion, have materially reduced the bounties from what they were before?—I cannot go back far enough to recollect how the matter stood before; but I think I may say that it would.

197. But the defects which you mentioned a short time ago with regard to the different classes, and the fraud which might occur with reference to the colours, hold good with reference to the Convention?—Certainly.

198. That is to say, that sugar of the highest class could be taken, and so a larger yield obtained?—Yes; the Convention was undoubtedly an improvement, and I think it did very great credit to Mr. Ogilvie and Sir Louis Mallet.

199. Do the French now work upon the numbers of standards fixed by the Cologne experiments?—Yes, they work for export on them. What we object to is, that they did not put their duty payments in correlation with those yields, and that they thereby enabled a quantity of sugar to be used by the French refiners at a lower duty than the duty which it ought to pay according to the Convention; but the sugar that was entered for temporary admission was entered on the basis of the yields established by the Convention.

200. Was not one cardinal defect in the Convention of 1864, the fact that the colour was the guide, and that, by fraud, sugar which really belonged to one class could be entered as belonging to another?—Yes, that was one of the defects. I should like, if the Committee will allow me, in order that I may explain the defects in the Convention more distinctly and clearly than I can in conversation, to make some very brief quotations from the memorial which we addressed to the Lords of the Treasury in 1872, because that was an important memorial. It was signed by every refiner in the kingdom, and it was drawn up with very great care, and it extended to about 20 or 30 pages of the Parliamentary Paper; it is a memorial of sugar refiners of Great Britain and Ireland, and it is contained in Parliamentary Paper, No. 125, of 1873. I should like, first of all, to read a passage from Mr. Ogilvie's letter of 1863, on page 3: "In entering upon the consideration of the amount to be allowed in any country as 'drawback,' there are two points to be considered; first, what is the duty that is to be drawn back or repaid; and, secondly, what may be considered as the just proportion of refined sugar, according to which, with reference to the average yield of the raw material usually subjected to the process of refining, the import duty should be repaid, or allowed to be drawn back; in the first instance, therefore, the attention of the conference was given to the duties, and the way in which they were levied in the respective countries on sugar imported into or produced in those

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those countries; exact and full information upon these subjects will be found scattered through the *procès verbaux*, which, for greater convenience, I have given in a more collected form at the latter part of this report. It will be seen that some diversity exists, not only in the rates of the duties levied, but also in the systems under which they are collected, and further, in the description and production of the sugar used in each country; in the first place, there is a considerable difference in the quality of the sugar which, in the respective countries, is deemed to be 'refined' or 'unrefined,' a higher quality being admitted under the latter denomination in all the other countries than in England, a fact of great significance in the question of drawbacks. Again, in England, unrefined sugar is admitted under a graduated scale of duties, descending in proportion to the inferiority of the sugar in regard to its saccharine value, or, in other words, according to the quantities it may be presumed to contain of pure sugar and molasses respectively; while in France, Belgium, and Holland, unrefined sugar, whatever be its quality, is at present subjected to one rate only. The diversity of fiscal legislation has led to an equal diversity in the trade of each country. The one high rate presses with greater severity on the sugars of low quality, and acts as a bar to their introduction, except when the scarcity of the higher qualities, and the consequent excess of demand over supply, raise the price of sugar to an amount which affords to the lower qualities a profit sufficiently large to cover the disadvantage of duty. In France, Holland, and Belgium, high-class sugars enjoy, under such a system, a monopoly of the markets, and form the great staple of their trade; while in England, the duties bearing a more equitable relation to the value and quality of the sugar, the lower sugars are free to come in and compete on a fairer footing with those of superior quality. Fine sugar is an article that requires skill, labour, machinery, and capital for its production, and as the combination of all those advantages can only be found in a few countries, the great bulk of sugar produced in the world must necessarily be of the lower kinds, and, as our system opens our markets to all the world, it necessarily follows that the bulk of our importations must consist of low sugars." I want to make these quotations in order to show that the English refiners had not the same opportunities as the foreign ones at the time that these arrangements were entered into. Further on the report says: "Looking to the comparative allowances made by England and other countries, it would at first appear that our drawback was too great. If the Belgian and the Dutchman derive a bounty by producing 83 lbs. or 82 lbs. of refined, the Englishman, it may be imagined, must reap a still larger bounty if he is called upon only to produce 77 lbs., but, as I have before observed, the quantity of refined sugar produced must principally depend upon the quality of the raw material used; and in this respect, in the other countries, the refiner stands in a very different position from the Englishman." I read this in order to show that even when apparent equality was established on paper, the circumstances of the case gave rise to the fact that the English were at a disadvantage, even if the Convention had been carried out perfectly fairly. "In France and Belgium a large quan-

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tity of beetroot sugar is used for refining, which yields a greater product than cane sugar, to the extent, it has been stated, of about 4 or 5 per cent. Again; in England the total quantity of high-class sugars imported forms but a very small portion of our trade, and the demand for them as 'grocery sugars,' that is, to be sold by the grocers without further refinement, renders their price such as to make them less remunerative to the refinery than the brown sugars."

201. Were those experiments that were made at Cologne experiments made upon sugars from beet or from cane?—From all; I shall explain that presently in showing the defects of the system. Sugars of all kinds were mixed up together. To complete my quotation: "Therefore in England the refiners necessarily use the latter sorts, many of which contain only from 50 to 60 per cent. of pure sugar. In the other countries, sugar being consumed almost entirely in the condition of loaf sugar, there is little demand for the high-class 'raw' sugars, as they are termed, for consumption in that state, and consequently they all go to the refinery. In Holland sugars are admitted as unrefined which in England we consider as refined, some of which must contain at least from 97 to 99 per cent. to pure sugar." (That is what happened after the Convention had been entered into, by France failing to establish a correlation between duties and yields.) "Although these latter sorts embrace only the highest quality, still a very considerable portion of the sugars used in Holland will contain nearer 90 than 80 per cent., and consequently the refiner receives a large benefit, to the injury of the revenue. The same circumstances exist to a great extent in Belgium and France." "In England many of the sugars, which abroad are admitted as raw, would be charged as refined, and would pay 18s. 4d. per cwt., while they would receive only 17s. 2d. per cwt. as drawback; and it must be remembered that the proportion of 77 per cent. is applicable only to the average duty of 13s. 3d. per cwt., and that the higher qualities of unrefined sugars, such as are used in France, Holland, and Belgium for refining, would pay at least 13s. 10d., and most probably 16s. per cwt.; and to repay himself for these two latter rates the English refiner must produce 81 per cent. from the first class and 93 per cent. from the last; and, therefore, the security against too high a rate of drawback would appear to be greater in England than in other countries." "In the present day sugars enter our markets from every part of the globe, and the great increase in our imports has not been in high-class sugars, but chiefly in the lower qualities, the produce of remote countries where skill and machinery do not exist, and as the quality of the bulk of the sugar now used for refining is inferior to what it was at the time the drawbacks were settled, so also, in proportion, the product must be less. It is true that great improvements have been introduced, both in the process and machinery for refining; but the application of such improvements has been directed rather to the improvement of the quality than to the increase of the quantity of the product, and to cheapen the cost of production. Under such circumstances there did not appear to be any just grounds for the assertion that our English drawbacks did more than what they were intended to do, reimburse the actual sums paid; and if any further

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further evidence were required on this point, it is to be found in the fact of the smallness of our export trade in refined sugar as compared either with that of other countries, or with the extent of our import trade." I read that in order to show that, even after the Convention was established, the accidental circumstances of the way in which one kind of sugar was directed to one country, and another to another, did not enable us to be quite in the same position as the foreign refiners; but of course the other question about the defects of the Convention is a much more important one.

Mr. Courtney.

202. All this had reference to the state of circumstances before the Convention?—Yes.

203. But it does not affect the situation after the Convention, does it?—The statement of Mr. Ogilvie that I have read appears to me to be a statement to this effect: that various circumstances led to the result that a lower class of raw sugar was directed to this country than was directed to foreign countries; and that consequently, although at first sight the duties and drawbacks at that time in force in this country appeared to yield a bounty on exportation, in point of fact they did not do so; and then, in conclusion, he says that this is proved by the fact that England has no export trade in loaf sugar, while the other countries have a large export trade.

Chairman.

204. That is directed to show that there is no bounty in England?—Yes.

205. What we want to know from you rather, is, what were the defects of the Convention?—I only wanted to read that in the first instance, to show that, in any case, there was that defect in the Convention, and that other circumstances existed which rendered it a fact that the English refiners were not under exactly similar circumstances to the foreign refiners as regards the supply of raw sugar.

206. The honourable Member for Liskeard asked you whether that had not reference to the state of things that existed before the Convention, and you said it had; did the Convention alter that state of things?—It did not alter the fact which Mr. Ogilvie speaks of, about the brown sugars being directed to this country. Of course the alteration of the scale of duties abroad did alter things to a certain extent, but he points out here that in Belgium and France beetroot sugar was the principal source of supply for the refiners, and that the beetroot sugar yielded a larger quantity of refined sugar, colour for colour, than other kinds of raw sugar. That is a most important point in relation to the defects of the Convention.

207. That led to my question as to whether the experiments at Cologne were made with beet sugar, or with cane sugar?—That is exactly the point that I want now to bring before the Committee, as one of the defects which existed in the Convention. Those defects were, of course, found out only after the whole thing was settled. The first and most important defect was, as I have just read from Mr. Ogilvie's letter, that the Java sugar and beetroot sugar went, from natural causes, to Holland, and France and Belgium.

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Mr. Orr Ewing.

208. What were those natural causes?—The natural causes which Mr. Ogilvie had explained; that beetroot sugar was grown in France and Belgium, and that Java sugar went to Holland, because the colony of Java belongs to Holland, and because there was a differential duty in Java on sugar directed to other countries than Holland.

209. Does that exist still?—That does not exist now. I see the first quotation that we make in our memorial with regard to that point is a passage that I have just read from Mr. Ogilvie's letter. Mr. Ogilvie says: "In France and Belgium a large quantity of beetroot sugar is used for refining, which yields a greater product than cane sugar, to the extent, it has been stated, of about four or five per cent."

Mr. Bell.

210. You say, "it has been stated;" is that certain?—I should state it as certain in my own opinion, and it is generally accepted as a fact. Then Mr. Ogilvie goes on to say that, in Holland, Java sugars are habitually used.

Chairman.

211. That is one of the defects?—Beetroot is used in Belgium and France, and Java sugar in Holland. Now we come to the way in which the sugar was selected for the experiment. That is very important, because it is of course perfectly plain to the Committee that if there be some sugars which, colour for colour, yield more than others, and if they took a mixture of all kinds of sugars for the experiments, then the yield established by the experiments made on that mixture would be too low for those sugars, which naturally gave a higher yield. Then the memorial goes on: "The principle upon which sugars were to be selected for the experiments was laid down by Mr. Mallet at the first conference held in London for that purpose, 6th April 1865." Then the memorial quotes from the Papers concerning the execution of the Convention, page 10: "In proceeding to lay down regulations for carrying out the experiments, the subject of the 2nd Article of the International Treaty relative to the drawback on sugars, it would I submit be advisable, in the first instance, to come to an understanding as to the principle upon which the sugars to be used in the experiments are to be selected. It is essential that the experiments should show the yield, as far as possible, of all sugars used for refining in the respective countries, and having regard to the fact that sugars of various origins are used in different proportions by the said countries, I suggest, with the view of each country being adequately represented in each experiment, that, as a basis for calculating the proportionate quantity of each sugar to be used in any one experiment, a table of all sugars imported or entered for home consumption in each of the four countries, for a given period, should be laid before the conference, and that the lots to be experimented upon be composed of proportionate quantities of each class of sugar of each origin calculated therefrom." That was Mr. Mallet's suggestion. Then the memorial goes on: "After three more conferences, the following programme was adopted" (that is at page 26 of the Papers concerning the execution of the Convention): "in each class sugars of different origins shall be used in the following

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following proportion, which represent approximately the importations and the productions of the four countries." Then it gives the proportions. I will read one class just for illustration: "First class (Nos. 18 to 15), Mauritius, 16 per cent.; Cuba, 12 per cent.; Java, 25 per cent.; French Colonies, Réunion, 30 per cent.; beetroot, 17 per cent." Then the regulations go on; "for sugars of the same class and of the same origin there shall be taken of each quality a quantity as nearly as possible in proportion to the quantities annually brought into the warehouses in London. The sugars shall be purchased in London; nevertheless sugars may be obtained in France, Belgium, or Holland, especially those from Java, and beetroot sugars which are not found in the London warehouses. All sugars of each class shall be mixed together in a single refining operation." Then the memorial goes on to say: "From this programme it is seen that great care was taken to determine the yield of each of the four classes in accordance with which the amount of drawback for each class was to be fixed, but that no steps were then taken to determine the different yields of sugars of different origin or kind, so as to indicate what separate standards of colour would be necessary in order that each kind should be classified with accuracy under the yields previously ascertained by experiment for each of the four categories." They took all the sugars and mixed them up together; they did not ascertain how much more refined sugar was yielded by Java sugar of a particular colour than by West India sugar of the same colour. Therefore Java sugar was, of course, favoured, and West India sugar was at a disadvantage. If the average yield was too low for Java sugar, it was evidently, in the same proportion, too high for West India sugar.

212. But that was done at Mr. Mallet's suggestion, was it not?—Mr. Mallet's suggestion was that they should mix up all the sugars together in the proportion in which they were used in the different countries; but we argued that the result of that was, that the beetroot sugar used in France, Belgium, and Holland, and the Java sugar that is used in Holland, were all estimated to yield less than they did, because, according to Mr. Ogilvie, Java sugar yielded more than West India sugar.

213. Then the result is, that another defect was, that the mode of testing the yield by mixing up these samples enabled the refiner to obtain a much larger yield out of the sugar than the classes indicated?—The yield was placed too high as regards some sugars, and too low as regards other sugars; and, as it happened, it was a disadvantage as regards the sugar that we habitually use.

Mr. Eugene Collins.

214. That misleading standard that you have been referring to was the suggestion of our own representative, in fact, was it not?—Clearly. I am not finding fault with the negotiators; they very naturally did not see the effect which it would have; it appeared to them to be the fairest thing to take all the sugars, and they did it with the greatest care. I recognize fully the extreme care that was taken, and the way the thing was managed by Mr. Ogilvie, Sir Louis Mallet, and Mr. Walpole, the three negotiators, and by Mr. Lefevre, who carried on the experiments at Cologne.

Mr. Bell.

215. The fact of their taking the different kinds of sugar indicated an impression on their minds that they did not all contain the same amount of saccharine matter; and they, having that in their minds clearly before they began, that they should have satisfied themselves with taking, as it were, an arbitrary quantity of each, seems a very extraordinary mode of proceeding, to say the least of it?—They did not take arbitrary quantities.

216. They took the quantity fixed by the standard of each particular kind of sugar at that particular time; but the moment you departed from that relation of the different kinds of sugar, then of course it became an arbitrary standard?—Certainly; that was a defect of the system.

Mr. Morley.

217. It was absolutely misleading, was it not?—No, I think that in their minds it appeared to them to be the fairest way, and no doubt probably it was the only practicable way; but all that we want to point out is that this is a defect inherent in the system which you cannot get rid of.

Mr. Courtney.

218. They were not sugars of different qualities, but sugars supposed to be of the same quality of different origins?—They were sugars of different qualities.

219. They were supposed to be practically sugars of the same quality?—Of the same colour; that is the whole point. That was the theory upon which they went.

Mr. Morley.

220. But in the working out it proved that one kind of sugar would produce many per cent. more than the other, and therefore why should there not be substantial experiments made with each; we were greatly damaged by that, were we not?—Greatly damaged.

Chairman.

221. Because the sugar which gave the greatest yield went to those markets, and did not come here?—Yes; but I must confess that, though I have been as great a sufferer as anybody, when I look into the details of this, there was the greatest care taken in selecting and calculating.

222. But the conclusion that you have come to is, that it was not from want of care, but that the defect is inherent in the system?—That is what I want to point out; that it is inherent in the system of classifying the sugars.

223. That no classification of sugars can possibly prevent bounties or fraud?—That is so. I go farther, and I say that no system of drawbacks can prevent it.

Mr. Alexander Brown.

224. But I see in the history in the Blue Book of all this conference that the numbers were altered before they finally came to any conclusion; the numbers finally settled are different from the numbers proposed by Sir Louis Mallet?—They had a conference in 1875, previously to the experiment being entered into, at which they discussed all the various points, and I presume that the numbers were altered during the discussion.

225. Therefore, it is not quite fair to say that
Sir

Mr. Alexander Brown—continued.

Sir Louis Mallet is entirely responsible for these numbers, because the numbers that he proposed, as I understand, were altered by the conference?—When I quoted from Sir Louis Mallet just now, I did not intend to burden him with any responsibility whatever.

Mr. Morley.

226. Am I right in the impression that it was one mode of striking an average?—It was one mode of striking an average.

227. And sugars were put in that differed materially in their results in order to strike an average?—Yes.

228. Does that strike you as a common sense method of determining upon the duty upon different sugars that would probably never be mixed again?—I think that it is a manifest error.

Mr. Courtney.

229. As to the material difference, Mr. Ogilvie simply says that it has been stated that there is such a difference?—No, I can only give you, of course, my opinion that anybody whom you call from the sugar market will state to you that Java Sugar, No. 13, in colour is invariably enormously richer than West India Sugar, No. 13, in colour.

Mr. Bell.

230. I suppose that all that can be reduced to figures?—I do not think that it can be reduced to figures, but you can reduce it to almost certainty by experiments. You can only reduce it to figures by such experiments as those in the International Refinery at Cologne, as we did before.

Chairman.

231. What Mr. Ogilvie said was with reference to West-India sugar and Java sugar?—Yes. The Dutch refiners, until recent times, have used almost entirely Java sugars, and the French refiners have used almost entirely beetroot sugars. Then, as the artificial cultivation of beetroot went on, and the manufacture of beetroot sugar improved, the Dutch refiners found at last that they got more bounty out of beetroot than they did out of Java.

232. Is there any other defect which you wish to point out?—Yes, this is merely the first defect, this mixing of various kinds of sugars and making an average. It would have been better, of course, to have determined the yield of each kind of sugar separately, and then to have established a separate standard for it; and I must say this for our Custom House, and it is very much to their credit, I think, that they did (I do not know whether, in accordance with the absolute terms of the Convention or not), for the protection of our revenue, adopt different standards, and we state that in this memorial. I have drawn up here a list of the standards which we had in our own Custom House.

233. Supposing that that plan had been adopted, do you believe that it would have had the effect of putting an end to the bounty?—Certainly not, because I will show you these other defects which have nothing to do with this one.

Mr. Norwood.

234. Is there not a great difference in the saccharine value of sugar according to the season; do you not find, for instance, sugar from 0.104.

Mr. Norwood—continued.

the same district varying according to the season?—I think that the West India sugar does certainly vary; but I have never found Java sugar vary; Java sugar is a much stronger and drier sugar altogether. West India sugar is what we call Muscovado sugar, which comes moister; in bad seasons the canes are very rank, and the sugar comes much wetter and fuller of molasses.

235. Then the test of one season would scarcely be satisfactory with reference to the average yield of sugar from a special country?—I think that that point applies more to West India sugars than to any other kind; and if you refer to the Tables you will see that West India sugar was used in a comparatively small proportion as compared with the others.

Chairman.

236. All those points only show the almost impossibility of fixing any settlement of the question which will be satisfactory, by experiments of yields?—Yes, certainly.

237. You say that there was a second defect; what was it?—The second defect is what I pointed out in an earlier part of my evidence, viz., that the sugar at the top of the class, even if all sugars were correctly assessed in every other respect, must of course, give a bounty on the yield.

238. If the sugar lowest on the class was correctly estimated?—No, if the middle was correctly estimated; it is an average. You take Nos. 10, 11, 12, and 13; you mix all the kinds of sugar together of these colours, and you make an experiment and you find that they yield 88 per cent. It is perfectly clear, that if in every other respect you are correct, and if every sugar gives the same yield, colour for colour, with every other sugar, 11½ is the colour of a yield of 88 per cent., and that 13 must yield you more than 88, and 10 must yield less than 88.

239. Then the consequence of that would be, that refiners would use the higher number and not the lower, and so obtain the bounty?—Yes, clearly.

240. Is there any other defect?—Yes, the other defect is that those countries that have the highest duty, would of course, get so much more bounty by availing themselves of all these other defects, and that the countries with the lower duty would not only get no bounty, but would actually be suffering from a loss.

241. Assuming that the bounty does exist, in consequence of these other defects, then the country with the highest duty obtains the largest bounty?—Not only that, but it swamps the other countries so that they work at an absolute loss, because it is clear that it will be worth the while of the country with the highest duty to give more for all those classes of sugar which yield this bounty, that is to say, for beetroot and for Java, and so forth, than the other country with the low duty can; and therefore the other country with the low duty will be reduced to use sugars which are actually below the average yields of each class.

242. Seeing that the object of the Convention was the abolition of the bounties, these defects of course were opposed to the object and to the spirit of the Convention?—They were opposed to the spirit of the Convention; but I hope the Committee will understand that I am not finding fault

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fault with the negotiators, because I think that they did the very best they could; naturally they did not see all these defects when they were negotiating.

243. Did any difficulties occur in carrying out the Convention?—The difficulties that occurred were that France raised that plea for not putting the duties into correlation with the yields as established by the Convention, which I have already explained; and they also failed, for that reason, to establish a duty on refined sugar which was in proportion to the duties on raw sugar.

244. But France never pretended to carry out the Convention, did she?—They pretended to carry it out, but they pleaded that they need not put their duties into correlation with the yields, because they gave no discharge for duty, whereas I think I have proved that they did give a discharge for duty; and they maintained a duty on refined sugar, which was to all intents and purposes a protective duty.

245. Was that contrary to the Convention?—Yes, because the terms of the Convention were that the duties on raw sugar should be established in an exact and certain ratio with the duties on refined sugar. They were to take the duty on refined sugar as the basis; and they were to take the duties on raw sugar in proportion. But as France never put its duties in correlation with these yields, it failed to do that, and it therefore maintained too high a duty upon refined sugar imported from the contracting countries, and it allowed the white beetroot sugar to enter the refinery at a duty which gave the refiner a very considerable bounty.

246. After that there was a conference in 1868, was there not?—Yes, there was a conference in 1868 in order to clear up these difficulties with France about the correlation and the duty on refined sugar.

247. What was the result of that conference?—There is a Parliamentary Paper about that conference, entitled "Additional Papers concerning the Execution of the Convention," issued in 1869. There were two conferences, but the conference of 1868 appears in these Papers, which are dated 1869.

248. Can you state shortly what was the result of the conference of 1868?—It is stated in a very short letter from Sir Louis Mallet and Mr. Ogilvie in this Paper.

249. I dare say you can tell us briefly what the result was?—I would rather have read this, but so far as I can recollect, the French were urged to put a duty on refined sugar, which bore a proper proportion to the duties on raw sugar, or rather to the duties as they would have been on raw sugar, if they had been in proportion to the yields of the Convention.

250. Was the object of the conference to complete that correlation which hitherto had not been effected by France?—I think that the object of the conference was to establish this duty on refined sugar, because the French had pleaded with regard to the correlation, that they were within the strict letter of the Convention in not establishing a correlation, and I believe that that plea had been accepted.

251. Of course that we dispute?—I have pointed out the reasons why we dispute it, but I believe that that plea was, for the moment, accepted by this country. I may state now that afterwards the French Government admitted

Chairman—continued.

that they ought to establish a correlation, but I am quite certain that I am right in saying that their plea was accepted at this time.

252. Was not that the object of many of these conferences?—No, I think these conferences related entirely to the duty on refined sugar.

253. When did France acknowledge that her plea with reference to correlation was an unsound one?—I cannot at this moment recollect, but I shall come to that hereafter.

Mr. Courtney.

254. Will you look at the last page of the final declaration, page 16, and read the translation of it?—There is nothing there about correlation.

255. Does it not admit the impossibility of establishing it for the time?—"The Governments of Great Britain, of Belgium, of France, and of the Netherlands, having delegated Commissioners to find out the means of removing the difficulties which have arisen from the application of the second paragraph of Article XIII. of the Convention of the 8th of November 1864, relating to the sugar system; and those Commissioners having recognised, in conferences held at the Hague, the impossibility for France of establishing an absolutely exact relation between the bases of the tax and the duty applicable to refined sugars so long as there does not exist" (that is what I explained, that they could not do it as long as there did not exist a correlation) "in that country a precise correlation between the duties to be levied on raw sugars and the yields fixed by the declaration of the 20th of November 1866; the undersigned, duly authorised to that effect, after having taken cognisance of the final protocol of the conferences above mentioned, dated the 21st of August of the present year, have agreed upon the following arrangements."

256. They recognise the non-existence of the correlation?—Yes, that is what I say; their plea for not establishing a correlation was at that time admitted by the English Government. This is the result of the conference of 1868: "Until the 31st of December 1869, the duty on the importation into France of refined sugars coming from the other contracting States is fixed at 48 francs 85 centimes, an amount corresponding to the average duty on raw sugars, and a yield of 88 per cent. The present arrangement, concluded provisionally, shall come into execution in eight days from the date of its promulgation." In my opinion that was an entirely wrong basis to take for ascertaining the duty on the refined sugar.

Chairman.

257. That so far modified the Convention of 1864 then, did it not?—No, I think the Convention of 1864 had been already modified by the action of France. This was only a step towards bringing France back to the terms of the Convention.

258. It was in point of fact the result of remonstrances which have been addressed to France as to her not carrying out the terms of the Convention?—Clearly.

259. In fact the conferences of 1868 and 1869 were really the result of France not having carried out the Convention?—Certainly.

260. And in 1868 a modification to the effect which

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which you have read was agreed upon by the Powers, parties to the Convention of 1864, to meet the difficulties of France?—To meet them partially. It was a sort of compromise; it was a temporary compromise.

261. So far it was a modification of the terms of the Convention of 1864?—Yes, but I only rected you with regard to its being a modification, because I think the modification originated when France declined to put the duties and the yields in correlation.

262. Because one country does not exactly carry out the engagement you cannot call that a modification of the engagement?—I beg your pardon, I see what you mean; this was admitting a modification.

263. That was the conference of 1868, and there was another conference in 1869, was there not?—Yes, and that is contained in another set of additional papers.

Mr. Eugene Collins.

265. Has France acted on this modification?—Yes.

Chairman.

265. The period having elapsed for which that declaration was agreed to, another conference was held in 1869 for still further extending that period; was not that so?—I must refresh my memory by referring to the paper.

266. Will you read the articles agreed upon between the various countries which are at page 18 of Paper No. 43?—Article I. is as follows: "The period granted to the French Government by the Declaration of the 4th of November 1868, for establishing an exact correlation between the duties to be levied on raw sugars and the yields fixed by the Declaration of the 20th of November 1866, is extended to the 30th June 1871." Article II. is, "Provisionally the duty on the importation into France of refined sugars coming from the other contracting States remains fixed at forty-eight francs eighty-five centimes." Then Article III. is as to another matter altogether.

267. The result was still further to extend the time, France not having carried out, as I understand, that modification which was agreed to in 1868, by the time limited in that Declaration?—But I think France established a duty of 48 francs 85 centimes at once. I think the only essence of the previous Declaration was that France was to establish a duty of 48 francs 85 centimes.

268. But the first article says: "The period granted to the French Government by the Declaration of the 4th of November 1868, for establishing an exact correlation between the duties to be levied on raw sugars and the yields fixed by the Declaration of the 20th of November 1866 is extended to the 30th of June 1871"; so that the result of the conference of 1869 is a postponement of the engagement undertaken in 1868; is not that so?—It is undoubtedly a postponement of the establishment of the correlation.

269. When was the increase in the French duties on raw sugar?—I think the date of the first increase was the 8th of July 1871.

270. Was there any *projet de loi* proposed by France to carry out that convention?—Yes, when the time came when France was bound to establish correlation, they brought in a Bill; in November 1871, I think it was.

0.104.

Chairman—continued.

271. What was the course which that Bill took?—The *Exposé des Motifs* of that law of 1871 is rather an interesting document, because it gives a repetition of the admission of the existence of bounties. Perhaps you will allow me to read extracts from it. It begins by saying:—"Messieurs, pendant de longues années, la France, l'Angleterre, la Belgique et la Hollande, ont facilité l'exportation des sucres raffinés par des primes qui grevaient les finances de chacun de ces Etats proportionnellement au développement de l'exportation." ("Gentlemen, for many years France, England, Belgium and Holland, have facilitated the exportation of refined sugar by premiums, which have been a burden on the finances of each of those States proportionately with the development of the exportation"). That appears to me to be a most valuable admission on the part of the French Government of the existence of bounties, because this was written in 1871. It gives a very long account of the way in which the bounties have been given.

272. You only want to read it, I suppose, in order to show that the French admitted the fact of the bounty?—Yes.

273. We have already had as much admission as that, which you have just mentioned in the declaration of the French President, Monsieur Barbier, so that I do not think we need trouble you to go through that, unless there is any other point upon which you want the Committee to be informed?—I think the really important point about this law is that it professed to carry out what this country had demanded so long, viz., the establishment of a correlation between the duties to be levied in France and the yields of the four classes fixed by the Convention. But, in point of fact, this law omitted to establish that correlation just at the very point in the scale where we have been injured by the absence of correlation. I have already explained that we were injured by the absence of correlation, from the fact that pure white sugar, the product of the beetroot factories in France, was admitted into the refineries at a lower duty than the duty on refined sugar; so that they obtained pure white sugar (which is a necessary material for those who manufacture loaf sugar, to the extent of 30 per cent. of their total melt), on which we have always been obliged to pay the full duty on refined sugar, at a duty under the duty upon refined; and therefore they were at an enormous advantage as compared with us. This law established correlation to a certain extent, but not entirely.

274. What became of that projected law?—I think it was referred to a sugar commission.

275. What was the result?—It dragged its slow length along for a very considerable time. The history of this law is a long history.

276. In the end did it pass into law?—No, it never passed.

277. Then we need not trouble very much about the history of it, seeing that it results in nothing?—The history of it is very important to us. We had a very severe fight in order to prevent its passing, because it would have been a great injury to us if it had passed.

278. In what way?—By maintaining, in the first place, a system which we have pointed out to be defective in the four ways that I have described, I mean the system of assessment by classes. It would have made that permanent.

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279. It

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279. It would not have altered the existing state of things and made them more unfavourable, but it would have simply perpetuated that to which you object?—Yes. Of course, at this period, in November 1871, we had not drawn attention to the defects in the system of classification by colour; but after we did so in February 1872, then it became a very important thing to stop the progress of the law, because, if the French had passed this law, of course they would have pleaded that they had already legislated in conformity with the terms of the convention, and that they were not prepared to consider any proposed modifications.

280. I understand that, even if this law had established a correlation it would not have removed the other defects of the convention to which you have already alluded?—Exactly.

281. The law did not propose to establish correlation which was satisfactory to you, because it stopped short at the point where you felt the injury?—Yes.

282. But even if this law had established correct correlation, it would still have been objected to by you as not getting rid of the defects which you have previously mentioned?—Quite so.

283. Was it only the sugar refiners of this country who drew attention to this fact, or did the *fabricants* in France make any representation with reference to it?—The sugar refiners in this country held a meeting in February 1872, at which meeting I believe every sugar refiner in the country was represented; and that was the commencement of the agitation against the system of classification by colour and in favour of the establishment of the system of refining in bond.

284. Did the *fabricants* in France themselves take any action in the matter?—They did; they took action before our agitation began.

285. Upon what grounds did they act?—They took action, I see, in December 1871. It is rather an important fact that the *fabricants* in France took action before we had begun to take action upon the subject, because it shows that they were alive to the defects of the system that existed in France before we said anything about it; and, therefore, so far we were confirmed in our representations.

286. What was the action which they took?—I see that they met on the 19th of December 1871 at Paris.

287. Did they make any representations to the French Government?—Yes. "The Committee is unanimous in formulating its opinions on the *projet de loi*, and in drawing up a statement of their wishes and observations which should be explained and developed on the 21st of December by its delegates in the audience which has been accorded to them by the Commission of the National Assembly." Then follows the statement of their objection. "In view of the International Convention and engagement undertaken by the French Government to establish an exact correlation between the duties to be levied on the raw sugar and the scale of yields established by the experiments at Cologne, the Committee has nothing to say on the principle itself of the *projet de loi*, which is a continuation of that *regime* of types" (that is the colour standards) "which the sugar industry rejects to-day in a manner almost unanimous."

Chairman—continued.

So that that shows that at that time they were strongly averse to the system of assessment by colour. These are the raw sugar manufacturers, of course, and not the refiners.

288. That is to say, those who make the sugar out of the beetroot?—Yes; they go on to say: "But it makes the most formal reserves, that for the future, and at the expiration of the convention, the engagement should not be renewed, at all events under present conditions, and without the industry which is interested being first consulted. It will claim then that the fiscal legislation with regard to sugar should be established on other bases than the estimation by colour, which does not levy the duty in proportion to the richness of the sugar; that is to say, on bases which leave every liberty to the work of the manufacturer, which protect the Treasury against the disguised bounties on exportation, and which suppress the abuses and manœuvres of every kind to which the system of types has given rise." I think that is a very important statement.

289. That is a strong protest on the part of the sugar manufacturers against any classification by colour?—It is.

290. Did they, in that protest, refer to the principle of saccharimetry?—Yes, I think they did. "They reject in the most formal manner, the idea indicated in the *Exposé des motifs* of this *projet de loi* to permit a chemical analysis to be used in concurrence with the colour, in order to determine the classification of sugar. They see in the simultaneous employment of those two systems, a dangerous source of serious difficulties. The one of the methods ought to be used to the exclusion of the other. If analysis is only to be used as a last and auxiliary resource, if it is not the object of constant practice, based on a good method applied by special and skilful agents, it would give rise to errors and disputes, and to slowness in concluding contracts, and it may facilitate combinations prejudicial to sellers in good faith."

291. That is not exactly a protest against saccharimetry itself, but it is more a protest against the two combined?—Yes; I only bring it forward in that view.

292. Is there anything else in that protest that you wish to call our attention to?—Yes, "They claim that, in principle, the classification of sugars according to colour on their leaving the factory, shall be considered as definitive, in order to avoid as much as possible the abuses which have been produced by the *déclassements* to the detriment of the Treasury." But I must explain that, because that is rather an important point. The colour standards had changed, the colours had changed with keeping, and therefore they required to be renewed, and they were renewed, and the new standards were established in Paris; but they were not sent to the officials who supervised the beetroot factories throughout the country in France, and the consequence was that the French refiner bought sugar of the second class on the old standard, had it assessed as second class in the factory on the old standard, and having bought it as assessed on the second class, he bought it at a different rate of price, at a lower price than if he had bought third-class sugar, and when it got to Paris it was found by the new standard to be third-class sugar, and therefore it was declassified. Therefore this was a great

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great injury to the manufacturers, because they got a lower price for their sugar than they otherwise would have got.

293. There was a meeting, I believe, of refiners in this country, in 1872, at which they adopted a memorial to the Government?—Yes, they drew up a memorial at that meeting, or between one meeting and the other (I forget how it was), but they agreed to this memorial, which is dated 24th February 1872. It is the first memorial which appears in these memorials of the trade in Parliamentary Paper, No. 125, of 1873.

294. What were the representations that were made?—The representations in this memorial appear in the margin. First of all it was stated what the object of the convention was, and the system adopted for attaining it, and then it pointed out that that principle is only partially carried out. Then the marginal note goes on to say: "This system, owing to altered conditions, is no longer effectual, 1st, from the inherent defect that with a very high duty it becomes either inoperative or unmanageable; 2nd, from the increased importance of beetroot sugar, which is incorrectly classified; and 3rd, is now bought by analysis, not by appearance." That is to say, the sugar is sold and bought by analysis, and it is assessed by the Custom House by colour. Then it states the remedy which is proposed, which was refining in bond. That remedy was proposed, not for the sake of refining in bond, because the refining in bond was only a means and not an end.

295. Will you explain what you mean by refining in bond?—The object of refining in bond is to abolish drawback, and in order to abolish drawback it is necessary to refine in bond.

Mr. Morley.

296. Is it refining in a separate building?—No, refining in bond is simply refining under the supervision of the Excise.

Chairman.

297. Under which system no duty at all is levied upon sugar which comes out of the refinery for exportation?—Quite so. The object of establishing the supervision of the Excise over a refinery is to avoid paying duty on the raw sugar on an estimated yield. As long as you have duty on the raw material you must have an estimated yield, in order to establish any fair duty upon it; and it was in order to avoid the levying of a duty on an estimated yield, which must be more or less incorrect, that refining in bond was proposed, because that enabled the sugar to enter the refinery without paying duty, and the refined sugar would then be exported without any return of drawback.

298. That is to say, the sugar which came out of the sugar house to go into consumption would be charged with duty as it left the refinery, and not as the raw sugar went in, as hitherto?—Quite so.

299. And sugar, which came out of the refinery and went direct for export, would have no duty charged upon it, and therefore there would be no return of duty and they would be unable, by means of drawbacks, to obtain bounty?—Quite so.

300. Is the refining in bond done in the same building as the ordinary refining?—Exactly the same.

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Mr. Morley.

301. What is the meaning of the word "bond"?—I was not in the trade during the refining in bond period, but I believe it means that the refiner gives a bond, just the same as sugar lying in a warehouse is called sugar in bond, in a country where duty is paid, because the warehouse keeper gives a bond to the Excise, or to the Customs, to be liable in case of any defrauding of the revenue.

302. The Excise officer has a key to the warehouse and has access to it?—Yes; and he not only has access to it, but I presume that the warehouse is entirely under his control.

303. Then is the sugar that is being refined in bond under the control of the Excise officer?—Quite so: it makes the refinery just the same as a bonded warehouse.

Chairman.

304. It means that the refiner is dealing with an article which is chargeable with duty, but upon which duty is not yet levied?—Quite so.

305. If that could have been carried out, of course it would have most effectually put a stop to anything like bounty?—Certainly; we think it is the only way to put a stop to bounty.

306. Some question has been raised as to the difficulties which would arise in France if this system were carried out; is this system of working under bond not already carried out in France in the raw sugar manufactories?—Yes, every raw sugar manufactory is under the supervision of the Excise in France.

307. And what is done in the sugar manufactories in France, you proposed, as a solution of the question, should be done in sugar refineries in France?—Yes. What we proposed was that a system which was already in operation in 500 factories should be simply extended to 20 or 30 refineries.

308. Is that system of making sugar in bond in existence in 500 sugar factories in France?—It is.

309. What is the number of refineries in France?—I believe it is under 20 or 30 now. I know that the large refineries which compete with us are not more than five or six in number.

310. Did the French sugar makers make any representation to the French Government upon the subject of refining in bond?—They did.

311. Did they take the first step, or did you?—We took the first step; the memorial concludes with the arguments in favour of refining in bond, and prays that Her Majesty's Government will move for a new conference to consider that proposal, and to point out the defects of the present system; to that the following reply was received: "My Lords desire me to inform you in reply, that after a most attentive consideration of these statements, they are not prepared to recommend a compliance with your request, viz., that a conference of the four Governments should be summoned, with a view to the revision of the Convention of 1864." I want merely to point out, with reference to that reply, what it led to. There does not appear to be any letter to indicate what happened; but I can tell the Committee what happened; we were asked, I suppose in some unofficial way, whether we would, if refining in bond were established, bear all the expenses involved in Excise supervision; and I want to read this letter in order to show how completely in earnest the refiners of this country were

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were in the matter. "Memorial of Sugar Refiners of London, Greenock, Liverpool, and Bristol.—London, 1 May 1872.—The refiners having been requested to state their views upon the question of how the expense of the supervision of refineries under bond should be met, the Committee authorised to act for the whole of the United Kingdom, after due consideration, beg to state that so important do they consider the matter, and so urgent the necessity, that no time should be lost in inviting the conference of the four Powers; they would not wish the question of the cost of supervision at all to stand in the way, but are willing to bear the expense of such supervision, and will accept any system of levying it which the Government may deem right to propose. The Committee would, however, take the liberty of suggesting that the charge should be proportional to the quantity of sugar passing through each refinery." That letter was signed by the whole of the Committee.

312. Then I understand that at that time the sugar duties were in force here, and if the French had agreed to refine in bond, we should have had to do the same?—Certainly; and that shows that we were asking for a thing which, if it were an injury, would have been as great an injury to us as to the French.

Mr. Courtney.

313. Was not that memorial written after Mr. Lowe had taken off half the duty?—I am not aware.

Chairman.

314. Whilst any portion of the duty remained, whether the whole or a half, it would have been the same?—Quite the same; I may say that we had not the slightest idea then that the sugar duties would ever be abolished.

Mr. Bourke.

315. Before the reduction in 1862, the duty stood at 18s. 4d., and it was reduced to 6s. by Mr. Lowe?—I think the duty stood at 12s.

316. Between 1862 and 1872 it was reduced from 18s. 4d. to 6s., was it not?—Yes.

Chairman.

317. Is there any other point in that memorial that you want to make any remark upon?—No.

318. Did the French *fabricants* take any step upon the question of refining in bond?—They addressed a memorial to their Government on the 24th of February 1872, in which they say: "Considering that the inequalities in the rate and mode of assessing the duty in the various contracting countries become more perceptible with the increase of the French duty, and render more evident and more intolerable the vices inherent in the system of types, and considering that it is important to modify a state of things which causes an enormous prejudice to the French Treasury, which destroys the equilibrium between the commercial conditions of the contracting countries, which facilitates regrettable manœuvres in Belgium, and places the factory refineries" (that is the beetroot factories, which are also refineries) "outside the common right,—"

319. Are there factories, or were there factories in France, which were beetroot factories and

Chairman—continued.

refineries also?—Yes, there were three kinds in France: there were the factories pure and simple; there were the fabriques-raffineries, the factory refineries; and there were the refineries proper.

320. Then those beetroot sugar makers who were also refiners, had to refine in bond?—Yes; they had to refine in bond; they never exported anything. Then the Central Committee go on to say: "Considering, on the other hand, that the mode of taxation on analysis, of which the English refiners had thought for an instant, does not offer the necessary guarantees against error or fraud. Considering all these things, the Central Committee is unanimously of opinion that there is occasion and even urgency, to abandon the system of types or classes, as it is actually laid down according to the International Convention, and to substitute for it a method called '*impôt à la consommation* (duty on consumption), which alone can equitably reconcile all the interests engaged, and resolve in a definite manner the sugar question. In consequence, the members of the Central Committee unanimously pray the French Government to be pleased to open negotiations with the contracting powers, in order to allow, as promptly as possible, the establishment of a definitive *régime* common to the four countries, and based upon the *impôt à la consommation*," which is the same as what we call refining in bond. They call it duty on consumption, which is the object for which refining in bond is established. That was the representation made to the French Government by the *fabricants*.

321. Did the French Government make any reply to that, or did they take any action upon that?—I am not aware. I know the French Government did eventually take action, and the action which they eventually took was the institution of an inquiry by the Superior Council of Commerce.

322. I suppose that proposal for refining in bond was made public generally?—Yes.

323. Did it lead to any expression of opinion in other places than France?—It did. In *La Sucrerie Indigène*, which is a monthly periodical connected with the sugar industry, which comes out in France, there is a statement that it led to a cordial understanding between the English, Belgian, French, and Dutch delegates. I must mention that some of our committee went over to the Continent to see what the views of the various industries were on the subject. The writer goes on to say, that the committee of the sugar manufactories of Belgium gave a very cordial reception to the proposals which had been made, and also that the Dutch refiners received it favourably, and desired to see the new system of refining in bond adopted by Austria and Germany, whose export premiums were exorbitant, more especially in the former country, and which were beginning to compete with them in the Basin of the Mediterranean.

324. Was any action taken by the trade in Belgium about that time?—Yes. I do not know whether it originated with the Belgian trade in the first instance; but at all events it was agreed, amongst the various trades on the continent and the British sugar refiners, that a Trade Congress should be held at Brussels, and that Congress was held, and the result of that Congress is rather important.

325. When

Chairman—continued.

325. When was that Congress held?—On the 17th of April 1872.

326. What was the result of that Congress?—At that Congress I think every section of the sugar industries was represented, and there was even one of the French refiners there; that is to say, the French refiners, and the French *fabricants* were represented, and the Belgian refiners, and the Belgian *fabricants*, and the English refiners, and the Dutch refiners, and the Dutch *fabricants*, were all represented at that Congress. They had a very important discussion indeed, which extended over several days, and they arrived at this resolution: "The Convention of 1864, the object of which was to establish the principle of equality between the four contracting countries, has not attained its object. It is therefore necessary immediately to modify it. The Congress expresses the desire that the Governments which entered into this Convention in 1864, should open, with as little delay as possible, an International Conference, with the object of arriving at a common understanding on a system of taxation which should suppress all drawback."

327. Do they use the English word?—Yes; "*qui supprime tout drawback*." "And which, whilst leaving to the sugar industry the greatest liberty in its operations, should assure to the treasury of each country the full amount of the duty, and establish conditions of perfect equality of competition between the various national industries which are interested in the Convention. As a means of arriving at this result the Congress thinks that it is convenient to recommend the study of the system called '*Raffinage en entrepôt*.'"

328. Do you know whether there was any representation made by that Congress?—I have no doubt that they forwarded it to the various governments, though I have not got it on record.

329. Did the British refiners take any action with reference to their meeting in February 1872?—After the receipt of the reply from the Treasury, of which I read an extract, of course we were determined to make a further effort, in spite of that reply being unfavourable; and I consulted your predecessor, Mr. Ayrton, the late Member for the Tower Hamlets, and he said that he thought our memorial was too short. In drawing up that memorial in February, I had been urged to make it concise and I had endeavoured to do so. Mr. Ayrton said: "Oh, no, make out a long statement, and give extracts from every document that is connected with it, and make it as full as possible." So then we drew up the memorial of the 6th of May 1872, which occupies 20 pages of this Parliamentary Paper; and the result of that was that we received a reply from the Lords of the Treasury, saying that Her Majesty's Government had decided to move the other governments to hold a conference to consider the modifications of the Convention.

330. Then your memorial of the 6th of May was simply an amplification of the memorial of February 1872?—It was simply an amplification of the preceding memorial, but it gave very full details upon every point, and the result was success.

331. The result was that the Government reconsidered their determination?—They did.

332. And they agreed to take steps to call a conference?—Yes.

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Chairman—continued.

333. With regard to the question of refining in bond, there was a Committee of the House of Commons in 1862 on the sugar duties, and the refiners of this country expressed their objections to the system of refining in bond here, did they not?—They did I am sorry to say.

334. Can you tell the Committee the reasons why they themselves objected at that time to what they afterwards suggested should be imposed upon the foreign refiners?—I did not take any part in what was going on at the time, and therefore I cannot say what their reasons were.

335. But I daresay you have had some conversation or argument upon the matter; have you read the Minutes of the Committee of 1862?—We have read them most carefully, and this memorial will show how carefully we have dealt with them. There are several pages of this memorial devoted to an examination of the evidence given at that time.

Mr. Courtney.

336. Did one of your firm give evidence before that Committee?—No, I think not. We have stated the reasons in the memorial. We went into the thing very fully in drawing up this memorial. We say in the memorial, "The obstacles which, we may presume, induced the Select Committee to resolve that it was not justified in recommending its adoption were those which appear in the evidence, which were twofold: 1. The aversion of the refiners to being placed under control, who consequently did not show any disposition to face the difficulties which stood in the way, or to assist in combating and overcoming them. 2. The difficulties raised by the Customs authorities."

Chairman.

337. Does it not strike you that the same difficulties which presented themselves to the refiners here might be impediments in the way of refiners in other countries?—I am perfectly ready to admit that the refiners in other countries would object to be put under Excise supervision if they could avoid it; but I maintain that they object to being put under Excise supervision, because it would deprive them of their bounties.

338. It seems to me that, according to the account of the refiners themselves here, there are other legitimate reasons which may perhaps cause them to object to a system of refining in bond?—I am very sorry to appear as if I was loth to answer the question, but I really must say candidly that I have not, if I have ever seen what reasons the refiners gave, the slightest recollection of what those reasons were.

Mr. Courtney.

339. You are well aware that it was said by those who then advocated the refining in bond, that the refiners had a pecuniary advantage in preventing it by getting their sugar admitted at a less duty than would be paid after refining?—I admit that at once. Of course the statements that I have made as to the defects of the classified scale apply to English refiners as well as to others, only I have pointed out that English refiners were, under certain circumstances, debarred from using the finer sugars, and were in the habit of using lower sugars, as Mr. Ogilvie states in his letter.

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340. One

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340. One of the strong reasons why the English refiners objected to the system of refining in bond in 1862 was, because it would deprive them of some of that benefit which you now want to put an end to in France and in Holland, and other countries?—That would be a pure conjecture on my part, because I do not know what the refiners did say; but I believe one of the refiners who will give evidence before the Committee, our late chairman, Mr. Gadesden, gave evidence before the Committee of 1862, and I should be glad if the Committee would allow him to answer the question. I assure the Committee that I do not wish to conceal anything, but I am perfectly ignorant of what the reasons given by the refiners were.

341. Do you think that any fraud would be possible if the system of refining in bond were adopted?—I do not think that with a thorough system, such as they have in France, it would be possible, and I have got the very best evidence to prove that, the evidence of the manufacturers who work under bond in France.

Mr. Eugene Collins.

342. The raw sugar is manufactured at present in France by about 500 manufacturers in bond, is it not?—Yes.

343. Are you acquainted with the processes of manufacture there?—Yes.

344. You mean to convey that under the system so extensively in operation there, you are under the impression that no fraud takes place?—Yes; most distinct evidence to that effect has been given before the inquiry instituted by the Superior Council of Commerce in France.

345. And that is the opinion generally entertained upon the subject?—Yes.

Chairman.

346. Has any possibility of fraud been suggested in any quarter?—Yes, there have been suggestions made, I think, by the Customs authorities.

347. Of this country?—Yes.

Mr. Eugene Collins.

348. Would that have reference to refining in bond?—Yes; I see the memorial says here, at page 30: "Supposing, however, that fraudulent persons are either now in the trade or hereafter enter, and would desire to defraud the revenue, what modes would be open to them, and what would be the risk of detection? In the evidence before the Select Committee of 1862, the following modes were suggested:—I. Abstraction secretly from the premises. II. Undue influence brought to bear upon the officers who would assess the rates of duty upon the products of the refinery as they went into consumption. III. The passing out as treacle of syrups containing an undue proportion of crystallisable sugar, which nevertheless no skill on the part of the Customs would enable them to detect."

Chairman.

349. What I want to get at now is, whether you can give us any evidence to show that these fears are groundless?—This part of the memorial was of course drawn up with the object of showing that the fears expressed before the Committee of 1862 were groundless. "A variety of ways of carrying into operation the first of these have been suggested, the broadest being a general

Chairman—continued.

conspiracy between masters, men, and Customs supervisors. It is unnecessary to dwell upon the immense risk of detection which is inseparable from such a scheme, rendering it practically impossible, considering that large rewards would be offered for information, and heavy penalties imposed upon detected fraud. Other modes were suggested, all necessitating, however, collusion between the master and the workmen, and therefore only in a slightly less degree subject to the same risk of detection. An underground pipe, it was said, might convey from the premises solutions of sugar."

350. Could you not state shortly the answer?—The answer to the underground pipe theory is, that when you have got the liquid solution of sugar and water outside the bonded refinery you must have another refinery in order to convert it into crystallisable sugar again; and you cannot build a manufactory in such a way that it shall not be detected by the Customs officers. That is the answer to that objection. Then, "It was suggested by the Surveyor General, Mr. St. John, in his evidence, that when the charcoal was sent out to be reburned, a solution of sugar might be left absorbed in it." Of course to the gentlemen of this Committee that may not appear absurd, but to us who understand sugar refining, that is most absurd on the face of it. The charcoal is a granular substance about the size of coarse gunpowder, and of course when the sugar is all filtered through it and becomes white, the charcoal is washed with water until every particle of sugar solution is removed from it. Mr. St. John suggested that this charcoal might be sent out of the house in only a semi-washed state, containing some of the solution of sugar; but it would require an enormous manufactory to abstract from this charcoal the portion of sugar attaching to the grains.

351. So that you, as a sugar refiner, say that those objections are in practice quite groundless?—Yes; and not only that, but I say that we have proved that piece by piece in this memorial. The gentleman who drew up this part of the memorial, which refers to the evidence given before the Select Committee of 1862, will give evidence before this Committee, and he will be able to answer better than I can the questions connected with it, because he has been through that Blue Book, and has dealt with every point raised with regard to these frauds.

352. I believe that Lord Cardwell (then Mr. Cardwell) was the Chairman of the Committee of 1862?—He was.

353. Did he express his view upon the subject?—He expressed his view not only on the subject of fraud, but on the subject of the practicability of refining in bond, and what the real objections were. This is *à propos* of the inducement which refining in bond would give to fraudulent persons to enter the trade for the sole purpose of defrauding the revenue. It was pointed out, in answer to that argument, that if any person wanted to defraud the revenue, there would be much more inducement for him to enter the trade as a distiller, because he would be able to defraud the revenue of a much larger sum by smuggling spirits than by smuggling sugar.

354. If it is true that it is practically impossible to defraud the revenue by refining in bond, I do not think it is necessary to consider the question of a person going into the trade for the purpose

Chairman—continued.

purpose of defrauding the revenue?—No. Mr. Cardwell said, "Can you give any reason why a number of persons should arise whose sole object would be to derive a profit by cheating the Treasury when they would gain a smaller sum by this arrangement of cheating than any distiller might gain by the same process now?" Of course, it was an argument to show that as distillers do not defraud the revenue now, therefore sugar refiners, if they were placed under supervision, would be still less able to defraud the revenue.

355. Do you believe that any difficulties would arise in the practical working of the system of refining in bond?—None whatever.

356. How would the quantity that goes into consumption be decided; would the door have to be watched?—We have always maintained, and I think Her Majesty's Government maintained, at the conferences which have been held from time to time on this subject, that the great point in supervision is to supervise the entries and exits of the buildings; that there is no necessity to supervise all the operations as they go on, from the melting of the raw sugar until the time when it is recrystallised and refined. The main thing is to secure that all the sugar that goes out of the door pays duty.

357. And you think that that could be done without the officers being in the refinery interfering with the work of the refinery?—Certainly.

358. Simply by watching the exit and entry of the sugar?—Yes.

Mr. Morley.

359. Employing persons to do that?—Of course.

Chairman.

360. Was the memorial of which you speak and which you submitted to the Government, unanimously assented to by all the refiners in this country?—In this printed copy of it in the Parliamentary Paper there are the signatures, and those signatures will be found to be those of every refiner in the country, without a single exception.

361. So that every refiner in the country expressed his willingness at that time to come under the same *régime* as they recommended should be adopted in foreign countries?—Certainly.

362. So that if there was any difficulty in the way of refining in bond, all the refiners in this country were willing to work under those difficulties, in order to obtain a suppression of the bounties abroad?—Certainly.

363. Did the Belgian refiners send in any memorial?—The Belgian *fabricants* subsequently

Chairman—continued.

did. The memorial contained in the appendix of our memorial is from the Belgian refiners; it was inserted there merely to show that they had previously, I think in 1867, raised objections to the system of the Convention.

364. Then the memorial of the Central Committee of the French *fabricants* is attached to the memorial?—That is the same document which I have already quoted from.

365. Did the Society of Agriculturists of France join in that?—Yes; a copy of their memorial is also given in the appendix, advocating refining in bond.

366. There was also, I think, a memorial from the mercantile community of Magdeburg, and the Chamber of Commerce of Brunswick, to the same effect?—Yes; that is a very important document, because it shows that the effect of the French bounties had extended even to countries like Germany, where there was, to a certain extent, a protective duty; that is to say, the German manufacturers had a wall to protect them, to a certain extent, from unfair competition, but the competition of the French refiners had become so enormous that they had been able to jump over this wall.

367. In point of fact, the bounty was so large as to enable the French refiners to pay the protective duty into Germany and still to undersell the refiners there?—Yes.

368. That led the German refiners also to recommend the system of refining in bond?—No; the German refiners merely asked for the wall to be raised. We had no wall, and, therefore, we could not ask for it to be raised; but they were quite content to have a wall high enough to keep them out.

369. Were there other memorials?—Yes, there were a number of memorials at that time which showed that the movement was not only a sugar refiner's movement. There were memorials from the wholesale grocers and dealers in London, from the wholesale grocers and sugar dealers of Bristol, from the West India merchants and colonial produce brokers of the city of Bristol, from the Bristol Chamber of Commerce, from the General Brokers Association of Liverpool, from the East India and China Association of Liverpool, from the wholesale grocers and dealers in sugar in the City of London, and from the wholesale grocers of the city of Manchester.

370. You have already given us what the reply of the Treasury to the fuller memorial was?—Yes; this reply is favourable.

371. What action was taken in France upon this question?—The question was referred, I think, to the Superior Council of Commerce.

Mr. Martineau.

12 June
1879.

Monday, 16th June 1879.

MEMBERS PRESENT:

Mr. Balfour.
Mr. Bell.
Mr. Bourke.
Mr. Alexander Brown.
Mr. Eugene Collins.
Mr. James Corry,
Mr. Courtney.
Mr. Orr Ewing.

Sir James M'Garel Hogg.
Mr. Morley.
Mr. Norwood.
Mr. Onslow.
Mr. Ritchie.
Mr. Stewart.
Mr. Thornhill.

C. T. RITCHIE, Esq., IN THE CHAIR.

Mr. GEORGE MARTINEAU, re-called; and further Examined.

Chairman.

Mr.
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372. Is there anything in your last evidence with regard to which you would like to make any explanations?—There are a few points to which I should like to call the attention of the Committee. I stated, in answer to Question 19, that I was not at the moment able to enumerate all the industries which were subsidiary to the sugar refining industry. Perhaps the Committee would like me to state them more fully. I think that perhaps the most important of those industries is that of the engineers and manufacturers of machinery, and so forth, because the repairs and removal of the machinery is a matter of very large amount. Then there is the production of animal charcoal, which is a very large business connected with sugar refining; and the manufacture of filter-bags.

373. Is animal charcoal used more in loaf sugar refining than in moist sugar manufacture?—No. Then there is the carrying trade, the cartage of the raw sugar and of the refined sugar, from the docks and wharves which receive the raw sugar on entry. Then there are the small items of water, paper, string, oil, gas, and such like.

Mr. Bell.

374. The animal charcoal is used over again, is it not?—Yes, but it has to be renewed periodically.

375. But it serves several times?—Yes.

376. It has to be calcined again?—It has to be burned again, but that is usually done by the sugar refiner himself. Then the increased quantity of raw sugar that would necessarily be imported would give employment to more merchants and brokers and so forth. I see that in answer to Question 20, I stated that when our house was closed in 1875 no house in the country was manufacturing loaf sugar. That is substantially correct, because there was no house then competing with the class of refined sugar imported from France and Holland; but, at the same time, to be absolutely correct, I think there were two houses which made small quantities of a lower kind of loaf sugar, which in olden times we called "brown lumps," and which does not at any time

Mr. Bell—continued.

appear in the sugar basin, but which is used for the manufacture of ginger beer and for confectionery purposes. That did not in any way compete with the foreign sugar. I only want to be perfectly correct in what I state.

Chairman.

377. I suppose the manufacture of that brown loaf sugar was a very unimportant matter?—It was so unimportant that I quite forgot it at the moment when I said that ours was the only house.

Mr. Bell.

378. In reference to Question 19, you have now enumerated those other industries. I see, in answer to Question 17, you mentioned that there was 1,200,000*l.* put down for dead capital and floating capital, which left therefore a balance of 300,000*l.* for the other industries. After looking at the question, are you still of opinion that those other industries require a capital of something like 300,000*l.*?—That was a pure guess. I think it was, perhaps, unwise for me to state any sum. Then, in answer to Question 22, I see I have given an answer which is absolutely correct, but which, at the same time, is not perhaps the correct answer to the question. The correct answer to the question would be, that at the present moment three sugar refineries in this country are turning out loaf sugar.

Chairman.

379. You said that it was absolutely correct; by that you mean that out of the refineries which existed in 1864 there is only one now in existence?—Quite so.

380. But two others have come into existence?—Two others have come into existence.

381. Who are the owners of those other two?—Messrs. James Duncan, of London, and Messrs. Henry Tate and Sons, of Liverpool and London.

Mr. Courtney.

382. When did they begin?—They began a few months ago.

383. Can

Chairman.

383. Can you give us any reason why, in a failing trade, those two new houses originated?—I think, for one thing, the falling off in the French production in 1876, owing to the partial failure of the beetroot crop, gave an impetus to the manufacture of loaf sugar in this country, and then there was certainly a prospect that this question was going to be settled. There was every appearance that refining in bond would be adopted at the time when a Convention was entered into with that object and ratified by all the Powers, with the exception of Holland.

384. Was it at that time that those refineries were commenced?—I think at that time they were probably projected.

Mr. Courtney.

385. Within the last few months, I understood you to say they had begun?—Within the last few months they have begun to turn out loaf sugar, but it takes, I might almost say, years to make preparation for doing so.

Chairman.

386. Do you not know that, to take the largest, Mr. Duncan's, that refinery was begun when the Convention was entered into by our representatives at the Conference in 1875?—I think that was the origin.

387. When the Convention fell through, in consequence of not being ratified by the Dutch Representative Assembly, did the building of this factory cease?—Yes; I know for a fact that the progress of the building was suspended for some considerable period.

Mr. Onslow.

388. Why should the failure of the beetroot crop in one year be the means of inducing anyone to go into such a large business as that of sugar refining; that is a mere casual circumstance, is it not?—But still it made the price of refined sugar here look a little more remunerative than it was.

389. But would the failure of the beetroot crop in one year induce people to go into the business of sugar refining?—I suppose it was the improvement in the price of refined sugar that induced them to go into it.

Chairman.

390. You do not know, as a matter of fact, what Mr. Duncan's motives were?—No; I was merely stating my own conjecture on the subject.

391. Is there any other answer that you wish to explain?—I said, in answer to Question 27, that there are only one or two refineries left that are still ready to commence. That was, of course, a figure of speech, because, on thinking it over, I recollect that there are five or six houses which still remain with their machinery in them.

392. Five or six out of the 30?—Five or six out of the 30.

Mr. Thornhill.

393. In a condition to start?—Yes. I should like to complete my reply to Question 102, with regard to the exports. I think it was with a view of illustrating how the increase in the French bounty had tended to diminish the possibility of exporting the sugar from Holland, the French bounty having become larger than the Dutch bounty.

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Chairman.

394. This is with the view of showing that, whatever the Dutch bounty may be proved to be, the French must necessarily have been larger?—Quite so. I have taken out the total exports of refined loaf sugar from France and Holland. I started with the year 1869, as being the year immediately before the French war, and I then started again with 1872, because in the years 1870 and 1871 the figures were disturbed by unnatural influences. In 1869, France exported 99,000 tons, and Holland about the same. They were on a level before the French war. In 1872, France exported 141,000 tons, and Holland 98,000 tons. The increase in France went on in this way: 153,000 tons, 185,000 tons, 215,000 tons, 186,000 tons, 153,000 tons, and 166,000 tons. The Dutch figures went on in this way: the export fell from 98,000 tons in 1872 to 88,000 tons in 1873; then, in 1874, it was 88,000 tons; in 1875 it was 79,000 tons; in 1876 it was 75,000 tons; in 1877 it was 64,000 tons, and in 1878 it was 64,000 tons. Those were the total exports. Then with regard to the quantities sent from those two countries to Great Britain; in 1872, France sent to Great Britain 43,000 tons.

395. Could you not give us anything before 1872; could you not give us 1863 or 1864?—I have here some average figures which I have obtained from another source, for which I am not responsible, because I merely quote from a person who has also quoted them.

396. Do you quote them from an authentic source?—Perfectly authentic; they are given by a member of the French *fabricants* committee, in the "*Sucrerie Indigene*," vol. 7, pages 372 and 373. The export of refined sugar from France to Great Britain in 1863 was 8,700 tons; the average of the years 1864–67 was 14,500 tons; the average of the years 1868–71 was 25,800 tons; and for the year 1872 it was 43,354 tons. Holland exported, of refined sugar to Great Britain, before 1864, on an average 15,000 tons, as against 8,700 tons from France. The average for the years 1864–70 was 36,300 tons from Holland. I will give the separate figures that I have taken out myself, if you will allow me.

397. Do you mean the exports from those countries to Great Britain?—Yes, to compare the French and Dutch exports. From 1872 to 1878 the French exports run in this way: 43,000 tons, 54,000 tons, 70,000 tons, 90,000 tons, 88,000 tons, 75,000 tons, and 91,000 tons. The Dutch exports were 35,000 tons, 42,000 tons, 32,000 tons, 28,000 tons, 34,000 tons, 27,000 tons, and 34,000 tons. So that whilst the French export has increased from 43,000 tons to 91,000 tons, the Dutch export has remained stationary, and has, in many years, decreased.

398. Before the French or the Dutch bounties were felt as affecting our own market here, the exports from France and Holland in 1863 were, respectively, 8,700 tons and 15,000 tons; and they have increased from those quantities in 1863 to 91,000 tons, and 34,000 tons in 1878?—Quite so.

399. That is all loaf sugar?—It is.

400. Can you give us any reason which, in your opinion, would account for the fact of the Dutch exports varying so much; for instance, they fell from 42,000 tons in 1873 to 28,000 tons in 1875, and then again they increased to 34,000 tons in 1878?—No, I cannot account for that

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Chairman—continued.

at this moment, but I can make inquiries about it.

401. Is there any other explanation that you wish to give?—With regard to my reply to Question No. 143, I wish to explain the reason why one part of the Belgian system operates as a reduction of duty to the consumers. I think it is important that that explanation should be given, because where there is a direct bounty on export, it does not operate as a reduction of duty to the consumers; but the duty which is levied on the sugar produced in the Belgian beetroot-sugar factories is, as I explained, levied on the density of the juice; and the Belgian manufacturer is only allowed to export a quantity of sugar equivalent to the sugar estimated to be produced by the juice. Therefore the excess yield which he obtains can only be a profit to him by going into consumption at the duty paid price, or a price approaching to the duty paid price. Therefore that system operates as a reduction of duty to the consumer. The French system does not do so, because the French system is a direct bounty on the exportation of the excess yield.

402. In France it does not operate in the way of reduction of prices to the consumer?—No, certainly not.

Mr. Alexander Brown.

403. Not to the consumer in France, but to the consumer abroad?—Yes.

Chairman.

404. Wherever they export it to?—Yes; the sale of sugar below its cost price must operate as a reduction to the consumer. The Belgian system, I should explain, is a stimulus to export, because the more the Belgian manufacturer can export, the higher the duty-paid value of his excess yield which he is obliged to sell in the home market.

405. However, I do not think the refiners of this country look upon Belgium as a very formidable adversary, do they?—The exportation of refined sugar from Belgium is very small, indeed, 5,000 tons a year.

406. We left off on Thursday, I think, where you told us that the trade received a favourable reply from the Treasury to the fuller memorial which they sent in; and then you went on to say that the action taken by France upon that question was, that they referred the whole question to the Superior Council of Commerce; that is so, is it not?—Yes.

407. Will you give the date of that?—The memorial was in May 1872.

408. And was not the reference to the Superior Council of Commerce in May 1872 also?—Yes; curiously enough it is the very same day as the date of our memorial, the 6th of May.

409. What is the Superior Council of Commerce in France?—A member of the *Fabricants' Committee*, in an important document which appears in the "*Sucrerie Indigène*," at page 325 of volume 7, describes the Superior Council of Commerce as "*composée de l'élite des représentants du commerce, de la banque, et de l'agriculture; des présidents des chambres de commerce de Paris et de Marseille, d'un certain nombre de députés et de tous les chefs de l'administration.*"

410. What action did the Council of Commerce take upon the question?—They held their first

Chairman—continued.

meeting on the 8th of May, and appointed a Commission to take evidence.

411. Did this Commission proceed to take evidence?—The Commission first of all drew up a series of questions (a *questionnaire*) which was to be replied to by all the parties interested.

412. Were those questions replied to?—They were replied to, I think, by nearly all the sections of the trade.

413. Do you wish to refer to any of the questions, or to any of the replies?—The replies of the French Sugar Manufacturers' Committee give very important confirmation to the statements that the sugar refiners of this country had already made on the subject of the bounties.

414. Do you wish to refer to any of the replies in particular?—I see that, in reply to the first question, one of their answers is, that the skill of the fabricant is applied to the making of the rich sugars under a low colour.

415. With the view of obtaining the largest amount of bounty?—Quite so.

Mr. Courtney.

416. What are you quoting from?—I am quoting now from the "*Sucrerie Indigène*," but I believe it is a copy of the replies to the "*Questionnaire*," which will be found in the official report. This report contains 992 pages, and I am sorry to say that I have not read it since it came out in 1872. I received at that time the proof copies which I very carefully read, but I have not had time to read it since then.

Mr. Bell.

417. Does low colour necessarily imply a low number?—Yes. Then I see, with reference to the question about refining in bond, they make a statement that refining in bond is no novelty.

Chairman.

418. The experiments at Cologne with reference to the Convention of 1864 were in order to find out the yields of refined sugar from raw sugar, and the experiments were made with reference to colour?—Yes.

419. Certain grades were established which were classified according to numbers, the different degrees in those grades being in accordance with the colour of the sugar?—In order to classify the sugar in accordance with its colour, they were obliged to take a series of colour standards, and those colour standards were arranged in a series from 1 to 20; No. 1 being the brownest, and No. 20 the whitest. They were called the Dutch numbers, because they originated in Holland. A portion of dry sugar that would not become deteriorated in colour by keeping, was placed in a glass bottle and securely stoppered, and when those glass bottles were placed in a row, you saw that the brownest sugar was No. 1, and that the whitest sugar was No. 20.

420. And the duty varied with the colour?—The duty varied with the colour. Nos. 1 to 7 being placed in the lowest class, Nos. 7 to 9 in the third class, Nos. 10 to 14 in the second class, and Nos. 15 to 18 in the first class.

Mr. Bell.

421. I put that question to you at Question No. 148; as I understand you, if you add a quantity of loaf sugar, which is pure sugar, to water,

Mr. Bell—continued.

water, and then determine the specific gravity, of course a solution of that specific gravity would always give you exactly the same quantity of sugar?—I think so.

422. There can be no doubt about it, can there?—No.

423. Then the yield in pure sugar is not always the same from solutions of the same density, because in the low number that is in the brownest number, there is a quantity of non-crystallisable matter which does not give you loaf sugar?—

Are you referring to the question about the density of the juice; because that of course referred to the juice from the beetroot. That varies a little. That is a different question from the question of solutions of raw sugar, because the juice extracted from the beetroot of course contains a quantity of other substances besides sugar.

424. I want to have clearly in my mind what the effect is of this modification, this change in the yield of sugar on account of its colour; you told the Committee just now that No. 1 was the brownest; is this solution No. 1 that you are speaking of a solution of sugar or a solution of juice?—It is solid raw sugar put into a bottle.

425. Then how do you determine the specific gravity by what you call the densimeter?—I was then describing the Belgian system of assessing the duty on the sugar made in the beetroot factories, which has nothing whatever to do with the classified scale of the Convention. The classified scale of the Convention applied only to the raw sugar introduced into the refineries to be converted into refined sugar. I am sorry that that confusion occurred. It struck me when I was reading through the report of the evidence on Thursday, that that confusion had very likely taken place, and that the Committee had not clearly understood the distinction between the system of assessing duty on sugar made in beetroot factories, and the system of assessing duty on the raw sugar previously to its entering a refinery.

Chairman.

426. But I understand the honourable Member's question to be directed generally to the reasons why it was calculated at Cologne that a certain yield would be according to the colour, and then the honourable Member went on to ask you with reference to the colours to show that the darker the colour the less yield of sugar there would be from it?—

Mr. Bell.

427. The question that I put was this: whatever the density of juice be it must give a fixed quantity of sugar on every occasion?—It would do so if it were not for the fact that the presence of other substances besides sugar interferes with that.

428. That is exactly the question I put to you, namely, that if you began with a solution containing nothing but pure sugar, a solution of a certain density would always afford you the same yield of sugar?—Quite so.

429. The uniform character of that yield is interfered with on account of there being foreign and non-crystallisable matter; is not that so?—It certainly is so in the case of the juice extracted from the beetroot.

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Mr. Bell—continued.

430. It is juice that we are speaking of?—Yes.

Mr. Thornhill.

431. But you were not referring to juice when you were speaking of all these different numbers? No. I should like to explain that the strength of the raw sugar is never ascertained by the densimeter. The densimeter is only used in ascertaining the supposed yield of the juice which is extracted from the beetroot.

Mr. Bell.

432. That is what we were speaking of in Question 148, and that formed the basis, as I understood, of those experiments at Cologne?—No. I think I had better explain that matter again.

Mr. Eugene Collins.

433. Will you be good enough to state the mode in which buyers of sugar in the ordinary commercial way make their selection; if you go into a sugar merchant's in Mincing-lane, is there not one universal system observed which is well known and recognised in the trade; the selection I mean of raw sugar by the standards?—We select sugar on a good many considerations. There is no doubt that we do take its appearance into consideration; we take its dryness into consideration, and there is no doubt that chemical analysis is sometimes used in ascertaining the value of raw sugar.

434. You stated that when the Committee or Commission met at Cologne they had a certain number of standards before them ranging from 1 to 20. Now the questions mainly result from that observation, and perhaps you will be good enough to state what is the ordinary commercial practice in the selection of sugar without going into collateral subjects, that is to say, whether it is the practice, or whether it is not the practice, for a merchant when going to buy sugar at Mincing-lane, to have a number of these standards before him, and so select the sugars according to these standards; I do not speak of the other circumstances which would affect his judgment, but the question happens to result from your mentioning those standards as having come before the Commission; and if you would be good enough to explain what those standards are, and how people are ordinarily influenced by them in making their purchases, I think it would aid the Committee a good deal in forming their judgment?—The standards are never used in buying or selling the raw sugar, except as definitions of colour.

Chairman.

435. The Cologne yields were fixed on the analysis of raw sugar, were they not?—They were fixed on absolute experiments in refining on a large scale.

436. But based upon raw sugar?—The refining of various kinds of raw sugar.

437. And the Belgian system is based upon the juice, is it not?—As I explained on Thursday there are two systems in Belgium; there is the system of the yields established at Cologne as regards raw sugar; and there is another system of assessing the duty on sugar made in the beetroot factories according to the density of the juice; and there is a special article in the Convention which applies to that specially, and which

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which has nothing whatever to do with the question of assessing the duty upon raw sugar. In buying sugar the Dutch standards are merely used as definitions of colour.

438. You were giving us particulars of the answers to the questions drawn up by the Commission of Inquiry appointed by the Council of Commerce; is there anything else in the answers or evidence which you desired to touch upon?—There are points in the evidence of the *fabricants* that I think important. In giving evidence with regard to the possibility of establishing refining in bond, the *fabricants* stated that manufacturing in bond had been carried on for a great number of years in the sugar manufactories in France, and that they not only had found it in no way injurious to their interests, or a hindrance to their processes of manufacture, but that they regarded it as absolutely an advantage and an assistance to them.

439. Did they give any points in which they considered it an assistance to them?—This is the most important statement I think that they made: "We declare, and we support it by the experience and statements of all those who are concerned in the matter, that these measures in no way incommode the *fabricant*, and that he finds in the presence of the officials in his factory the best guarantee against fraud. It results in a security to him, and never a hindrance." (*"Nous déclarons, et nous appuyons pour cela sur l'expérience et les dires de tous les assujettis, que ces mesures ne gênent nullement le fabricant, et qu'il trouve, dans la présence de ces employés chez lui, la meilleure garantie contre la fraude. Il en résulte pour lui une sécurité, jamais une gêne."*)

440. Of course, there was a very considerable amount of evidence taken before the Commission of Inquiry?—The evidence extends to over 500 pages.

441. What was the result?—The result was that the Commission made certain proposals to the *Conseil Supérieur*.

442. What were those proposals?—Those proposals consisted in preserving the system of types; establishing an exact correlation between the types and the yield in refined sugar; the maintenance of the existing classes; a power to alter the classification, and the employment of analysis in cases where the richness appears to exceed that indicated by the colour. Those recommendations of the Commission, which I have read, were not adopted.

443. Is that the final report of the Commission of Inquiry that you have read, or is that the report that some one proposed?—That is what the Commission proposed to the *Conseil Supérieur*.

444. Did the *Conseil Supérieur* adopt that proposal?—No.

445. What course did the *Conseil Supérieur* take?—It made the following addition to it: "*Le Conseil, en approuvant les modifications proposées par la commission préférerait l'exercice des raffineries et l'impôt à la consommation, comme assurant plus certainement la juste répartition de l'impôt sur les sucres et sa perception exacte, si ce système est accepté dans des conditions efficaces par les puissances faisant partie de la Convention Internationale.*" "The Council, whilst approving of the modifications proposed by the Commission, would prefer excise supervision of the refineries and duty on consumption, as insuring more cer-

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tainly a just distribution of the taxes upon the sugar and its exact assessment, if this system is accepted under efficacious conditions by the Powers, parties to the International Convention."

446. That was, in point of fact, practically a recommendation in favour of refining in bond?—Yes.

447. In what year was that?—That was in the year 1872.

448. The *Conseil Supérieur* having adopted that report, what steps were next taken upon the matter; was there a Conference?—A Conference was held in August 1872.

449. Who were the French delegates at that Conference?—They were Monsieur Ozenne and Monsieur Amé; the one was the Secretary General at the Ministry of Commerce, and the other the Director General of Customs.

450. Both those gentlemen having been on the Commission of Inquiry?—They were on the Commission of Inquiry.

451. What line did the French delegates take at that Conference of 1872?—They opposed the proposals for refining in bond.

452. Who were our delegates at the Conference?—Mr. Mallet and Mr. Ogilvie.

453. What was the result of that Conference?—They proposed that each of the countries should examine the question of whether the duty could be assessed under a system of chemical analysis.

454. Saccharimetry?—Yes.

455. What is the number of that Paper which contains the decision?—The minutes of that Conference are contained in Commercial No. C 706, of 1873.

Mr. Bourke.

456. Are you not going a little too fast; the Conference that you have just been asked about, and about which your answer was given, was in August 1872, I think, and I think you will find that saccharimetry was not proposed till 1873. If you will confine your attention to the question that the Chairman put to you about the Conference in 1872, that took place in August 1872, did it not?—Yes.

457. Will you state what took place then?—The events which took place at that Conference were, first of all, that the English delegates proposed the establishment of refining in bond, and stated that that was the only remedy which they saw for the existing abuses.

458. What did the Netherlands Commissioners propose at that Conference; did they practically agree to refining in bond?—They said that they would agree to refining in bond if no other means could be found. My impression is that they proposed to examine the question of whether some other means could not be found for more correctly assessing sugar than by the colour standards.

459. The French Commissioners did not agree to refining in bond, did they?—They did not.

460. They mentioned the difficulties that had been found in England with regard to refining in bond before, I think, as one of the reasons why they could not adopt it?—I think they did.

461. Did the French Commissioners mention, at that time, at all what the amount of the bounties were?—I do not recollect that they did.

462. Do you recollect what the Belgian delegates did?—They wanted to retain the system of

Mr. Bourke—continued.

of classification, and to increase the estimated yield in the beetroot factories.

463. Did the British Commissioners of that time, and as the result of that Conference, submit these points: that under the arrangement founded upon the experiments at Cologne, a yield above the average of the class is obtained on the use of beetroot and the richest cane sugar, which are the descriptions principally used in France and Holland; that this inequality is aggravated by the augmentation of import duty in France, and by the incomplete execution of the stipulations of the Convention of 1864; that the test of colour failed to insure a just assessment of sugars, particularly as regards beetroot sugar, the consumption of which was increasing every year?—I have no doubt that is correct.

464. That was put forward by the English delegates, was it not?—I recollect that the English Commissioners said that there could be no remedy found, except refining in bond, which would thoroughly remedy the evils. I can give those quotations.

465. At any rate, the result of that Conference was that the delegates of Belgium, France, and the Netherlands did practically maintain their objections to the system of refining in bond?—Belgium objected most distinctly to refining in bond; Holland said that, if no other system could be found which would establish a correct assessment of the duty on sugar, they would be quite ready to consider the question of refining in bond.

466. Still, the representatives of Holland mentioned their own objections to refining in bond at the time, did they not?—I cannot recollect whether they did.

467. What did France do?—The French delegates most distinctly objected to refining in bond.

468. At that Conference the three Powers practically did object to the system of refining in bond?—Yes; but we strongly protested against the French delegates objecting to refine in bond, after the decision which had been come to by the Superior Council of Commerce, and after the very strong evidence which had been given before that Council in favour of refining in bond. The delegates who represented France at this Conference had constituted a minority which voted against the resolution in favour of refining in bond which had been come to by that Council.

469. And practically the result of the Conference was that no agreement at all was arrived at?—No agreement was arrived at, except the agreement to consider certain matters.

470. The agreement to proceed farther with the inquiry?—Yes. "*Dans cette situation les Délégués des quatre puissances ont unanimement résolu de clôturer les conférences, en prenant l'engagement d'inviter leurs gouvernements respectifs à faire étudier la question, sous ce rapport, par des hommes compétents, et à se communiquer d'ici, au 1^{er} Janvier prochain, les résultats de ces études.*"

"Under those circumstances the delegates of the four Powers have agreed unanimously to close the Conferences, in undertaking to invite their respective Governments to cause the question to be inquired into with this object;" that is the object of finding "whether science cannot supply some more rapid and practical process than the various expedients offered by the saccharometer."

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471. In consequence of that a Conference took place in Paris in April 1873?—Yes. In this Protocol of 1872 they agreed that this question should be inquired into by competent persons, and to communicate to each other before the 31st of January the result of those inquiries. I think that the Protocol shows that I was right in stating that they came to an agreement to consider whether saccharimetry could be applied to the assessment.

Chairman.

472. But this paragraph says: "The delegates of Great Britain have not misunderstood the nature of these propositions, but the Convention of the 8th of November 1864, ratified only on the 5th of July 1865, having still an obligatory duration of nearly three years, they have considered it preferable to postpone any new arrangement until such time as an opinion could be formed as to whether science cannot supply, for the correction of the imperfect system of standards, some more rapid and practicable process than the various expedients offered by the saccharometer which are now adopted by a portion of the trade in Europe;" so that the result of the Conference was practically to postpone any further decision on the subject?—Yes, they undertook to invite their respective Governments to cause the question of saccharimetry to be inquired into.

473. Did the Belgian sugar manufacturers take any steps with reference to refining in bond similar to those taken by the French sugar manufacturers?—Yes.

474. Did they recommend refining in bond?—They did; they petitioned very strongly in favour of refining in bond.

475. During all this time the bounty obtained by the French refiners went on increasing, I think, as would appear by the discrepancy between consumption and duty payments?—A very remarkable discrepancy appeared about that time between the estimated consumption and the receipts of duty.

476. That would indicate, of course, that there was a large bounty?—It indicated that the bounty was increasing.

477. Can you give us those figures as to the discrepancy between the consumption and the duty payments?—The statistics, so far as the stocks and deliveries and so forth went, appeared to indicate a consumption of between 215,000 and 220,000 tons; whereas the duty payments only appeared to indicate a consumption of 162,000 tons. There was a very remarkable increase in the quantity of the lower class of sugar manufactured in the beetroot factories at that time, which necessarily involved an increase in the bounty. The third-class sugar, which is estimated to yield 80 per cent., and which in many cases yielded 90 per cent., of course was the class of sugar upon which the largest bounty was obtained.

478. Was there any report about that time from the Sugar Commission upon the subject?—Yes; they made a report upon the Bill brought in by the Government in 1871, in which they expressed regret that they were unable to do anything more than report upon the question of establishing a correlation between the duties and the yields, and that they were not able to propose any more satisfactory remedy for the abuses then existing.

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479. With

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479. With reference to the question of duty, was there any large deficit in the duty as compared with the estimate at that time?—There was.

480. Can you give us any figures with reference to that?—I think the deficit, if I recollect rightly, amounted to 65,000,000 francs.

481. Upon an estimated amount of how much?—I do not remember.

482. The amount of this bounty has been estimated, I believe, in various ways?—Many estimates were made at that time of the amount of the bounty.

483. Was there anything like an official estimate made?—There were official estimates made before the Superior Council of Commerce, but they were based upon the supposition that there was no excess yield.

484. But if there was no excess yield, there would be no bounty?—Yes, there is a bounty from the other causes that I mentioned. The want of correlation between the duties and the yields is one of the most serious bounties that we have to contend against.

485. Supposing that there was no excess yield, can you give us the amount of the bounty which was estimated before the *Conseil Supérieur*?—There were two officials who gave evidence before the *Conseil Supérieur*, one of whom estimated it at 8,000,000 francs, and the other at 14,000,000 francs. That is without any excess yield; and I think it is perfectly manifest, from what I have already explained to the Committee, that under the system of classification there must be an excess yield.

486. In consequence of the higher number in the various classes being taken?—That is one reason; and the colour being really in many cases absolutely no guide as to the strength of the sugar.

487. That is to say there were two modes of excess yield, one of which was by something very like fraud?—There was artificial colouring; that was a third. But even where the natural colour of the sugar had not been tampered with, in many cases, in the case of beetroot sugar for instance, colour is no guide at all to the strength of the sugar.

Mr. Onslow.

488. What do you mean by the strength of the sugar?—The yield of refined sugar which may be obtained from the raw material, is, in some instances 60 per cent., in some 70 per cent., in some 80 per cent., and in some 90 per cent.

489. It has nothing to do with the sweetness?—Of course the raw material which contained the most absolute sugar would be sweeter than that which contained less.

Chairman.

490. The traders, I think, sent in another memorial in December 1872?—Yes.

491. Can you state, briefly, what were the points of that memorial?—That was in order to induce the Government to procure the postponement of the progress of the French Government law, because the French Government law would have confirmed and made permanent the system of classification, of which we had pointed out the defects. We also pointed out, in that memorial, that there had been decisions in favour

Chairman—continued.

of refining in bond in the Superior Council of Commerce, and also amongst the various sections of the trade.

492. What reply did you obtain to that memorial?—The reply was that, as the law was merely a carrying out of the terms of the Convention to establish a correlation between duties and yields, Her Majesty's Government could not interfere with its progress.

493. That gave rise to a further memorial on your part, did it not?—Yes.

494. Of what date?—The 23rd of January 1873. In that we explained very fully that the French law, which was about to be brought before the National Assembly, did not simply carry out the correlation between the duties and the yields, but that it carried it out only to a certain extent, and left the duties, not in correlation with the yields just at the very point where that want of correlation was of so great an injury to us.

495. That was with reference to the white sugar?—Yes; the white sugar which was manufactured in the beetroot factories, and which entered very largely into the manufacture of refined sugar in the refineries of France, was charged a much lower duty than it ought to have paid, according to the terms of the Convention; and that gave the French refiners a very great advantage over their competitors in foreign countries.

496. Is there any other point in the memorial that you wish to mention?—We supported the statements made in that memorial by very voluminous extracts from the evidence given before the Superior Council of Commerce, which showed that the French refiners themselves admitted that one of their greatest advantages arose from having the opportunity of using this white sugar at a duty very much below the duty which it ought to pay.

497. And which you, in answer to a former question, said was one of the reasons why the bounty itself, even on that ground, was estimated at 8,000,000 to 14,000,000 francs?—Quite so.

498. That is all that you want to touch upon with regard to that memorial?—Yes, unless the Committee wish me to quote any of these statements.

Mr. Bourke.

499. Whilst those memorials were going on, still the intention of a future Conference in Paris held good, because these memorials were presented in December and in January, did they not?—They did.

500. And all this time it was intended to hold the Conference in Paris?—Yes; but the reason why we drew up and addressed these memorials to the Government was that we were afraid, in fact, I might say that we were certain, that if the French Government succeeded in passing the Bill of 1871, all negotiation with regard to the establishment of refining in bond would be at an end, and the defects of the system would be perpetuated.

Chairman.

501. You preferred that things should remain in the state in which they were, rather than appear to have the question settled by a Bill which would practically have been no settlement at all, because it would have perpetuated the existing state of things?—Certainly.

502. Was

Chairman—continued.

502. Was there a debate in the National Assembly in January 1873?—There was.

503. Was there also one in February 1873?—Yes; the matter was brought before the National Assembly first, I think, in January.

504. What was the nature of the proposal submitted to the National Assembly?—The origin of those debates was the presentation of the Report of the Commission on the Sugar Bill, and the pressing of that Bill forward by the French Government; and the opposition to the progress of that Bill of course originated with those who saw that, if the Bill passed, the French Treasury would be greatly injured by a continuance of the losses which it was incurring through these bounties.

505. What was the result of the debates, or was there anything in the debates that you wish to remark upon?—I think those debates are most important evidence in our favour, because the statements made by the speakers in those debates confirm all the statements that the British sugar refiners have made, and all the statements which have been made amongst other sections of the trade in the various countries interested in this matter.

506. Could you give us one or two instances in which those debates confirmed the statements that the sugar refiners had made?—To begin at the beginning of the origin of these debates, we think the Report of the Commission is, of itself, a very strong confirmation of our case.

507. That is the report to which you have already referred, which recommended refining in bond?—The Report of the Parliamentary Sugar Commission, in which it expresses its regret at not being able to remedy the abuses, is in these words: "It may be permitted to it to express the regret which it experiences at not having the power to render the legislation in a sense more conformable with equity and with the interests of the Treasury, which the present sugar régime comprises." We think that is a very important statement from a Commission which had taken the matter into very serious consideration and examined it in every possible way.

Mr. Bell.

508. Was that the same Commission?—No, that was the Parliamentary Sugar Commission to which the Bill of 1871 was referred, and this is its first Report.

Chairman.

509. Upon that ensued this debate in the National Assembly?—Yes.

510. Can you give us anything which took place in the debate which tended to confirm the position taken up by the English refiners?—The first speech that was made on the 19th of December 1872, is by Monsieur Leurent, who was a member of the Budget Commission, and who had also been a member of the Sugar Commission.

511. Was he connected with the sugar trade at all?—No, I think not.

512. What is the general view that he takes?—I see that he gives a full description of the way in which the bounties are obtained, and speaks of the system as a system of fraud upon the Treasury by the coloration of sugar.

513. That was in the National Assembly in 0.104.

Chairman—continued.

December 1872?—On the 19th of December 1872.

514. Then there was a further debate in February 1873, was there not?—Yes.

515. Are there any particular points in support of the position that the English refiners take that you wish to direct the attention of the Committee to?—There is a speech of Monsieur Pouyer Quertier which follows the speech of Monsieur Leurent, which is equally strong, pointing out the way in which the Treasury incurs serious losses by the present system. Monsieur Pouyer Quertier was the President of the Superior Council of Commerce, and therefore he spoke after having heard the whole of the evidence.

516. And that view was supported by several speakers?—Yes.

517. Was there any new *projet de loi* at that time?—On the 20th of December following an amendment was proposed to the Government Bill, which simply was that the refineries should be subject to Excise supervision, and that amendment was referred to the consideration of the Sugar Commission.

518. Was there any report upon that?—Yes, there was.

519. What was the nature of that report?—That report was strongly in favour of refining in bond. I should be glad to put in these debates if any Member of the Committee would like to look at them, because they are most important evidence in our favour.

520. There was a further memorial to the English Government from the refiners, I think, in March 1873?—Yes; that memorial gave a *résumé* of the statements which had been made in those debates in the National Assembly, and the object of the memorial was to induce Her Majesty's Government to hold another Conference, and to delay the progress of the French Government law.

521. Are there any other points in that memorial to which you wish to direct the attention of the Committee?—Yes; there are a great number of points. We began (at page 66) by pointing out the progress which the question of refining in bond had made since we first made the proposal on the 6th of May, and we quote from Monsieur Pouyer Quertier's remarks at the conclusion of the sittings of the Superior Council of Commerce, in which he says: "*Dans l'enquête à laquelle la Commission a procédé, il a été établi que les types, surtout pour le sucre indigène ne signifient absolument rien au point de vue de la régularité et de la certitude de l'impôt Il est manifeste que nous marchons à l'exercice et que nous y arriverons.*" "During the inquiry it has been established that the system of types signifies absolutely nothing in point of the regularity and certitude of the duty, and that it is manifest that we are rapidly approaching refining in bond." Then we refer to the Brussels Trade Conference, which I have already described. Then we refer to the results of the 1872 Conference, and we quote there from the statements of the Dutch delegates, in which they say that it is indisputable that colour can no longer suffice for deciding the saccharine richness of sugars; and we came to the conclusion that England saw no way of carrying out the object of the Convention except by refining in bond, and that France, by the decision of the Superior Council of Commerce, had recommended the same system, though

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though her delegates at the Conference had supported a different view, and that Holland would accept a system of refining in bond if other systems failed. Then we point out that the French delegates rather beg the question in the Protocol which they drew up, in which they said that the system of Excise supervision of the refineries would offer more inconveniences than advantages, which was not proved at the Conference. Then we point out that the establishment of a correlation between the duties and drawbacks would simply extend the system which had already been universally condemned. Then we point out that the French law will not establish that correlation, but will maintain the position of the white sugar as being assessed at too low a duty. Then we describe how, on the 19th of December, in the debate in the National Assembly, the errors of the present system were exposed; and an amendment was proposed that, after the 1st of April 1873, the sugar refineries should be submitted to Excise supervision.

Mr. Eugene Collins.

522. Was there a vote taken on that proposal?—The vote was that that proposal should be referred to the Sugar Commission.

Mr. Bourke.

523. The Assembly declared urgency, and referred the proposition to the Sugar Commission?—Yes. Then, on the ground that the law would not remedy the evils which had been complained of, we pray that another Conference may be held before the French Government legislates on the subject. Then we point out that it is perfectly clear that if legislation is allowed to proceed, it will amount to a shelving of the question of refining in bond. Then we describe the debates in January, in which it is urged on the one side that the Commission should have time to report on the new proposal for refining in bond, while, on the other hand, the French Government urges that the Bill should be passed first, and that they should consider the question of refining in bond afterwards, which appeared to us to be an extremely unreasonable proposal. We give extracts from the speech of Monsieur Henri Villain, who was the *rapporteur* of the Sugar Commission, and who urges that the question of refining in bond should be thoroughly examined before any legislation takes place. The Minister, however, still continues to urge the Assembly to pass the Government law first, and to consider refining in bond afterwards. Then we quote a statement made by Monsieur Leurent in support of delaying the legislation. Then we give an account of the Second Report of the Sugar Commission, in which they deal with the new proposal that refining in bond should be established. From that Report it appears that six members of the Commission were in favour of refining in bond in France, quite irrespectively of what the other countries might do, and that the other six were in favour of refining in bond, provided it were established in the other countries.

Chairman.

524. So that, in point of fact, they were unanimously in favour of refining in bond, supposing that the same system could be carried out in all the countries where there was duty?—Quite so.

Chairman—continued.

525. But one half of them were in favour of refining in bond in France, even supposing that the other countries did not agree to the same?—Yes.

Mr. Eugene Collins.

526. What was the date of that decision?—The Report of the Commission was published, I see, on the 21st of February 1873. It is all stated in this memorial, which appears on page 66 of the memorials from the trade.

Chairman.

527. That, I believe, was a Parliamentary Committee?—That was a Parliamentary Committee. Then the adjourned debate is renewed on the 13th of February. The Minister of Commerce again urges the acceptance of the Government Bill in spite of the report of the Commission, but he made a very important admission in his speech on that occasion, of the existence of the bounty system. It will be found in the "Journal Officiel" of the 14th of February 1873, at page 1070, and it is quoted in the memorial at page 74, where I see we summarise it in this way: "This is an admission, first, that colour no longer serves as a guide to the quality of sugar; and secondly, that classification by averages permits an excess yield equal to the difference of yield between one class and another."

528. And you show that the Government Bill did not remedy those two defects?—Yes. The Government Bill, in its amended form, proposed to adopt the system of saccharimetry to correct the errors; that is to say, it proposed that whenever a sugar appeared to yield more than it should do according to its classification, recourse should be had to saccharimetry.

529. Will you explain what you mean by "appeared to yield"?—That is exactly the point. We always argued; how could either Customs officers, or any person connected with the matter, ascertain, by the appearance of the sugar, whether saccharimetry was necessary or not.

Mr. Bourne.

530. That was one of the reasons for your saying that saccharimetry was of no use?—Sir Louis Mallet put his finger on that point most distinctly in the Conferences of 1872. It was proposed then, by the French delegates, that optional saccharimetry should be adopted; and Sir Louis Mallet at once said that could not be accepted by Her Majesty's Government, because it would at once give rise to very grave abuses on the part of the officials whose duty it might be to ascertain and to decide when saccharimetry would be necessary.

Chairman.

531. Was Sir Louis Mallet's opinion only on the question of optional saccharimetry?—Certainly; but this proposal in the Government Bill is only for optional saccharimetry.

532. I only want to ascertain whether Sir Louis Mallet had expressed an opinion adverse to the system of saccharimetry, or only to the system of optional saccharimetry?—On that occasion he only expressed an opinion adverse to the system of optional saccharimetry. Mr. Ogilvie, I think, expressed an opinion adverse to the system of saccharimetry. Then the Minister

Chairman—continued.

of Commerce again urges that the Government Bill should be passed first, and that refining in bond should be considered afterwards, which we point out would be equivalent to shelving refining in bond. Then we summarise the reasons which may be urged by Her Majesty's Government in favour of a Conference before the law is proceeded with.

533. Those reasons are to be found at page 76 of the Memorial of 3rd March 1873?—They are.

534. Was there any action taken by the Dutch refiners about this time upon the question of refining in bond?—Yes; they addressed a memorial to their Government on the 8th of March 1873, and we furnished Her Majesty's Government with a copy of that memorial in our letter of the 28th of March 1873, which is the first memorial which appears in the second Return of the memorials of the trade, dated the 14th of April 1874. This is a Parliamentary Paper of the 14th of April 1874, No. 89, headed "Sugar Duties, Memorials of the Trade."

535. Can you state what the substance of that memorial was?—They condemn the present system, and they go on to say, "that on refining in bond being adopted in France, in England, and in Belgium, with severe precautions against fraud, but without impeding by vexatious provisions the free exercise of their industry within the sugar houses, they would willingly accept the latter system;" that is to say, that of refining in bond.

536. Do you know whether that was agreed to by all the Dutch refiners?—I do not suppose that it embraces the whole of the refiners.

537. From whom is that memorial supposed to be; what do they call themselves?—The Amsterdam refiners.

538. What reply was made by the Dutch Government to that memorial?—They replied that the system of refining in bond would be made a matter of serious further examination, if the present system were found not susceptible of improvement.

539. With reference to the Conference of 1872, we find that the result, practically, was the adjournment of the question. There was a further Conference, I believe, in 1873?—There was.

540. That was practically for the purpose of taking up the question from the point at which it was left by the Conference of 1872?—Yes.

541. What was the result of that Conference?—They drew up a protocol very similar to the previous one, again condemning refining in bond, in spite of all the decisions that had been come to in various quarters in favour of it.

542. But they proposed some alterations in the existing state of things at that Conference, did they not?—They condemned the present system as imperfect. I think we had better refer to the protocol, at page 93.

543. Who were the English delegates at that Conference?—Mr. Ogilvie and Mr. Kennedy.

544. What result was arrived at at that Conference?—The result is stated in this protocol, which concludes with three articles, the first of which says, that "When the actual yield does not appear to correspond with the colour, the authorities and the trade shall have the power of having it determined by such one of the processes described in the Annexes A, B, and C, as shall

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Chairman—continued.

have been specified by each Government. The sugars of which the saccharine richness shall indicate a yield belonging to a class other than that which is shown by their colour, shall be placed in that other class. Thus the yields of 92, 84, and 78, shall belong respectively to the first, second, and third classes." Article II. is, "The charge for duty in the contract sugar factories shall be fixed at 1,600 grammes of sugar of the second class per hectolitre of juice, and per degree of the densimeter at the temperature of 15 degrees centigrade. Each Government shall have the power of graduating this charge for duty in proportion to the density of the juice without the average going below 1,600 grammes." And Article III. is, "France shall immediately establish an exact correlation between the duties on sugars and the yields fixed for exportation." (*"La France devra établir immédiatement une corrélation exacte entre les droits de consommation sur les sucres et les rendements fixés pour l'exportation."*)

545. I see that the date of 3rd May 1871 is put against that protocol; that is a misprint for 1873, is it not?—Yes, that is a misprint; it ought to be "3 May 1873."

546. Was that report concurred in by the delegates?—Yes, that was a protocol signed by the whole of the delegates, and really the only point in it is that whenever the actual yield of the sugar does not appear to correspond with the colour, powers should be given to have recourse to saccharimetry.

547. In point of fact, that is simply optional saccharimetry?—Optional saccharimetry, which was completely condemned by Sir Louis Mallet at the Conference of 1872.

548. What was the fate of the protocol?—Her Majesty's Government declined to ratify it. I should like to make one quotation from the Minutes of this Conference with respect to refining in bond. Mr. Uyttenhooven says, on page 80, "The Dutch authorities thought they had found effective means of control by applying to these establishments regulations similar to those which already existed for the supervision of sugar manufactories." We considered that a very important statement on the part of the Dutch delegate.

549. In the same paragraph I see Mr. Uyttenhooven said, that as far as the Netherlands were concerned, the solution of refining in bond would be accepted if every other plan was rejected?—That is what they said at the previous Conference.

550. But they repeated it there?—Yes.

551. Can you state what the reasons advanced by our Government for rejecting the protocol were?—I can state the reasons which we advanced in our memorial.

552. Was it in consequence of any action taken by the refiners that the Government refused to ratify the protocol?—We made representations to Her Majesty's Government, and the result was that Her Majesty's Government refused to ratify it. Whether it was owing to our representations or not, of course it is impossible for me to say.

553. What action did you take?—I see that on the 9th of May we wrote a letter to Lord Granville, in which we pointed out that the new provisions would only be an aggravation of the present evils, and would also prevent the National

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Assembly of France from continuing its efforts in demanding that France shall extend to 30 refineries the system of manufacturing in bond, which it already carries out in more than 500 beet-sugar factories. Then I see the West India Committee support us in that view. They point out that the terms agreed to at the Conference appear to be fraught with the most injurious consequences, not only to the British refiners, but to the growers of sugar, and to all connected with the sugar trade in this country. The West India Committee's letter I see points out that the terms now agreed to were submitted to the previous meeting of the Conference, and were rejected by Sir Louis Mallet. Then I see that on the 12th of May we addressed a longer communication to the First Lord of the Treasury, in which we pointed out, in detail, our objections. That is at page 5.

554. Was any additional statement or representation made by our delegates to our Government, giving their reasons for accepting this system?—No doubt our delegates made a report, as they always do after the Conferences, and I think it would be interesting to refer to it.

555. Looking at the last paragraph on page 99, it would appear that our representatives at that Conference combated the opinions that were held by the other members of the Conference, and which led to the report. They say: "Throughout the respective sittings of the Conference we endeavoured, but without success, to combat these opinions, and to induce our colleagues to adopt the views of Her Majesty's Government. Finding it impossible to obtain the consent of the other countries to the system of refining in bond, we expressed our perfect readiness to give full and careful consideration to any other system which could be proposed, as effectual for the suppression of bounties"; so that, as it would appear by that, they held the opinion that refining in bond was the proper mode of dealing with the question, but finding that their colleagues at the Conference were unwilling to accept that solution, they signed this protocol, with a view of simply giving a trial to the system proposed at that Conference, and not because they believed it themselves?—No, I perfectly admit that; but at the same time it was giving a trial to a system which had been rejected by our delegates at the previous Conference, on the ground that it was a practice which would give rise to grave abuses.

556. I see also that at page 100 they say: "Without entertaining any sanguine hopes that such inquiries will lead to any great results, it appeared to us, under the circumstances, to be a reasonable and useful proposal, inasmuch as even if unsuccessful, an additional argument would be supplied for the adoption of refining in bond"?—Quite so; but then we considered on the other hand, that the proposal for refining in bond had made such extraordinary progress, having been reported on favourably by the Superior Council of Commerce, and by the Commission on the Sugar Bill, that it would be a great pity to adopt any course which would simply amount to putting refining in bond out of the question, at all events indefinitely.

557. But so far as our delegates there were concerned, it seems by this that they did not themselves, although they signed this protocol, believe that it would lead to any useful result,

Chairman—continued.

but simply that it would in all probability confirm the view that they held, that Her Majesty's Government held, and that the sugar refiners held, that refining in bond was the only proper solution of the question?—Quite so.

558. There was a representation, I think, made by the Manchester Chamber of Commerce upon the subject to Her Majesty's Government on the 14th of July 1873?—Yes, on page 9 of the memorials.

559. What was the effect of it?—We thought that this memorial was of considerable importance, because the opinion of the Manchester Chamber of Commerce has always carried great weight. I see that the memorial states that the bounty does not permanently benefit the consumers; that the trade of loaf-sugar refining is seriously injured, and will soon be extinguished altogether unless the system of refining in bond be adopted, so that the assessment of the duty may be transferred from the raw material to the finished product in its manufactured state; that the objections hitherto made against that system are not of a nature to present any practical difficulty, and that the risk of fraud on the revenue may be easily removed.

560. Was that an official communication from the Manchester Chamber of Commerce?—It was an official communication from the Manchester Chamber of Commerce, signed by Mr. Hugh Mason, the President, and by Mr. Thomas Browning, the Secretary.

561. Do you know what the answer to that memorial of the Manchester Chamber of Commerce was?—No, it does not appear.

562. There was a further memorial from the refiners on the 29th of August 1873, was there not?—Yes, that appears on page 9.

563. What were the points presented by the memorialists there for the consideration of the Government?—I see that it called attention to the fact that, owing to the refusal of Her Majesty's Government to adhere to the protocol of the recent Conferences, a fresh meeting of the Conference is to be held at Brussels towards the end of August. With reference to that I may state that the fact of our Government having refused to ratify the protocol had exactly the good effect which we expected it to have, because it gave an impetus to the success of the amendments which had been brought in in the National Assembly, and led eventually to that very important decision of the National Assembly, which voted refining in bond, and rejected the measure which would have perpetuated the present system.

564. Was the amendment establishing refining in bond before the French Assembly at that time?—Yes. I have already described that, either in December 1872, or January 1873, when the French Government were pressing forward their Bill its progress was arrested by the proposal of an amendment that a law establishing refining in bond should be substituted for the Government Bill. That amendment was referred, as I have stated, to the Sugar Commission, and the Sugar Commission reported in favour of the amendment for refining in bond, and against the Government Bill. We begin by stating that the Minister of Commerce, in a clause of the Report of the Sugar Commission, stated that a fresh meeting of the Conference was to be held in Brussels, and we point out the reason why we

Chairman—continued.

we consider France is now bound loyally to support refining in bond; and then we go on to describe the points which require to be remedied if France still resists the adoption of refining in bond. Those points are the *détaxe* on white sugar, which was being taxed at too low a rate, and the incorrectness of the colour standards.

565. You say that you go on to give the reasons why you consider that France is bound to accept refining in bond; what were the reasons why France was bound to accept refining in bond?—The first reason was that the Superior Council of Commerce had reported in favour of that system; that the Commission of the National Assembly had twice reported in favour of refining in bond, and that the arguments brought forward in the National Assembly had all tended in the same direction; also many official admissions had been made on the part of the French Government that the present state of things was in every way opposed to the object for which the Convention had been entered into. Then we refer to a quotation which we made from the speech of the Minister of Commerce in our memorial of the 3rd of March, to which I called the attention of the Committee just now. Then we direct our attention to a point which had always been made by the French delegates, and by others who oppose the adoption of refining in bond: that Belgium persistently refused to adopt that system. That had been made an argument against the adoption of refining in bond as the basis of a new Convention.

566. That objection was raised by France and Holland?—By France. Holland had always said that, if no system could be found which would remedy the present evils, they were ready to consider refining in bond; it was only the French delegates who persistently refused to consider refining in bond. So we deal with that point about Belgium, and we show that the Belgian Government cannot uphold their present system, by quoting from the *Exposé des Motifs*, of a law brought in in 1871 in the Belgian Chambers. Then we quote a statement made by the Belgian manufacturers in support of that. That *Exposé des Motifs* is a very important document, because it states that the system of assessing the duty on the density of the juice results in an almost total loss of revenue in Belgium; that it would result in a total loss if they had not a system of establishing a minimum; that is to say, when the duty does not yield a certain sum, that fixed sum has to be made up by contribution from the manufacturers. That we thought was a very strong proof that the Belgian system was not one which ought to stand in the way of the adoption of refining in bond.

567. But surely if the Belgian system gave rise to such a considerable bounty as it did, was not France justified in declining to come under any engagement which would abolish the bounty in their country, while the system in Belgium, a neighbouring country, still continued, and gave large bounties to their sugar refiners?—Our argument rather tended to prove that the Belgian Government ought to adopt refining in bond like the rest.

568. That their system was objectionable?—Yes.

569. Is there any other point in that memorial?—We conclude by touching upon the possibility of the existing Convention expiring without any agreement having been come to.

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Chairman—continued.

570. When did the Convention of 1864 expire?—It would expire in 1875.

571. It was renewed, was it not?—No.

572. Was there no proposal made for its renewal?—Not that I can recollect. We point out at the conclusion of the memorial that, in the event of the termination of the present Convention, our trade was as much entitled to some treaty to defend it against the protected foreign competition as any other trade in the country. Of course it was an argument in favour of some treaty which should secure equal competition between the various countries.

573. That memorial of August 1873 was followed up, I believe, by a further memorial from the refiners in October 1873?—Yes. That memorial calls the attention of the Government to the Supplementary Report of the Commission of the National Assembly, and it prays that if the French Government should abandon their present law, owing to that unfavourable report of the Commission, the *status quo* should not be allowed to continue. The principal reason that we give for that is the point which I have before referred to, viz., that a certain class of sugar is admitted into the French refineries at a much lower duty than it ought to pay. Then we quote a memorial from the Belgian beet-sugar manufacturers, which proves that the statement made by the Belgian representatives of the Conferences, that refining in bond and manufacturing in bond would not be tolerated by their industry is unfounded, and that the Belgian manufacturers actually petitioned to have manufacturing in bond established in Belgium.

574. I think in the ultimate result of all the negotiations that took place, and the Conventions that were agreed to, as a matter of fact Belgium was not included in the system which was adopted for the other countries. I am speaking now of the Conventions agreed to at Conferences which took place after that. It was admitted that Belgium was in an exceptional position, because she was never, as a matter of fact, bound by the agreement to the system which was adopted at the various Conferences by the other Powers?—Belgium always maintained a sort of exceptional position.

575. That was, to some extent, a recognition of the position which Belgium took up at the Conferences to which you allude?—It was a recognition of the fact that when the original Convention was entered into an exceptional position was admitted for Belgium.

576. And she always maintained that exceptional position?—She maintained it in those Conferences by persistently refusing to listen to refining in bond as far as Belgium was concerned, in spite of this memorial of the Belgian manufacturers actually praying that they might be put under Excise supervision.

577. But Belgium was looked upon as comparatively a small feature in the settlement, in consequence of the smallness of her production?—I think that so far as the exportation of refined sugar was concerned, Belgium was looked upon as a small feature in the matter, because the Belgian exports of refined sugar are really of no account at all. I have always found it difficult to understand why Belgium was a party to the Convention at all, because the Convention was entered into merely to regulate the exportation of refined sugar.

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Chairman—continued.

578. Is there anything else in the memorial of 1873 that you wish to draw attention to?—No, except this point about the Belgian manufacturers desiring to have their manufacture placed under Excise supervision. The Belgian refiners, if I recollect right, had at an earlier date presented a memorial.

579. In favour of refining in bond?—I cannot recollect now. I gave evidence on that point on Thursday last. But the sugar manufacturers at this time addressed a memorial to their Government praying to have Excise supervision established in Belgium, and yet the delegates of the Belgian Government at all the Conferences had always declared that it would be utterly impossible to establish refining in bond and manufacturing in bond in that country. Of course this was not a proposal made by every manufacturer in Belgium, but it was made by a majority of the manufacturers in Belgium, and my own opinion is that their reason was that this system of assessing the duty in the Belgian manufactures on the density of the juice gave rise to very serious frauds; in fact, they stated in the memorial which we have placed in the appendix to this document of our own, that the loss to the Belgian Treasury is not so much from the figures adopted for estimating the quantity of sugar upon the juice being so very incorrect as from the fact of the system itself giving such opportunity for fraud; and therefore the majority of the Belgian manufacturers who saw the permanent injury that would be caused to their trade by the continuance of that fraud, desired to have that system put a stop to by the establishment of refining in bond.

580. Mr. Ogilvie, our delegate at the Conference of 1873, addressed a letter to the refiners, I believe, in October 1873, asking their views?—Yes, that is on the 31st October 1873, at page 25 of the same paper. He informs us in that letter, that "The Lords of the Treasury have signified to the Commissioners of Customs their opinion with reference to a communication from the French Government relative to the proposal that there should be another meeting of the International Commissioners to discuss the question of refining sugar in bond; that, to enable their Lordships to deal with that question in a satisfactory manner, it is important that the sugar refiners and Her Majesty's Government should be agreed upon objects to be arrived at in any future negotiations, and that, therefore, the refiners should be very fully communicated with in order to ascertain what is the exact course which they wish Her Majesty's Government to adopt."

Mr. Bourke.

581. That was in consequence of the protocol, because the protocol of the Conference was then before Her Majesty's Government, and Her Majesty's Government had determined that they would not take any action upon that protocol until they knew what the opinion of the sugar refiners was?—That was the case.

582. They wanted to obtain the opinion of the sugar refiners before they acted upon the protocol?—Quite so.

Chairman.

583. That letter was addressed to the Chairman of the Sugar Refiners' Committee?—Yes. We felt, of course, that in the very voluminous memorials that we had addressed at that time to

Chairman—continued.

Her Majesty's Government, we had stated very fully, and supported in every possible way by argument and quotation, our views as to what course ought to be pursued. We replied to that letter very fully in a letter of the 1st of December 1873, which is given at page 26 of this Parliamentary Paper. We called Mr. Ogilvie's attention to the fact that we had communicated very fully from time to time during the past two years, all the facts connected with the subject, and that we had added our own conclusions, and that we need not presume to point out what steps in our judgment ought to be taken.

584. But, as a matter of fact, the points which you put before them were to a great extent a repetition of the previous memorials which you had placed before the Government?—We pointed out the reasons.

585. You say here, "While we thank them, therefore, for so courteously giving us a further opportunity of stating these views, we hope they will excuse us if what we now gladly take the proffered opportunity of saying, is, to a certain extent, a repetition of what we have already urged"?—Yes.

586. So that we may take it that, practically, the reply to that letter of Mr. Ogilvie was a summary of your previous arguments?—It was.

587. Then at the end, I think, you place before Her Majesty's Government certain propositions for which you ask their support?—There are various alternatives.

588. Will you read those?—They are at page 30. The first is, "That another effort should be made to induce all the Powers to adopt refining in bond, the grounds for such further pressure being that France is ready to adopt it if adopted by all; that it is shown that the charge for duty under the contract factory system cannot be raised so as to make excess yields impossible; and that refining in bond has been asked for, both by the Belgian manufacturers and Dutch refiners." The second alternative is, "That Great Britain and France should adopt refining in bond under uniform conditions, and that Holland and Belgium while taking steps to repress fraud and excess yields in the contract factories" (that is in the factories where the quantity of sugar was estimated by the density of the juice) "should abolish classification and charge duty in exact proportion to strength as ascertained by analysis as proposed by their delegates at the last Conference."

Mr. Alexander Brown.

589. Is that second recommendation as to the contract factories again?—No, that about the contract factories ends at the word "factories." The abolition of classification is with regard to the entry of raw sugar into refineries. That they should "abolish classification and charge duty in exact proportion to strength as ascertained by analysis as proposed by their delegates at the last Conference under a system or systems which, both as to method and the mode in which it is carried out, should be approved by the four contracting Powers." The third alternative was, "That, failing this, all the four countries should adopt the latter system." Then the fourth alternative was, "That if the present terms of the Convention are to remain in *statu quo*, France should immediately remove the protective duty on foreign refined sugar, and the *détaxe* on white sugar

Mr. Alexander Brown—continued.

sugar above the upper limit of the first class, and that Belgium and Holland should take steps to render fraud and excess yields in the contract factories impossible."

Chairman.

590. This is rather important because it is an indication from the Sugar Refiners' Committee that there are other modes of dealing with this question, which would be to them more or less satisfactory than refining in bond?—No. We had already proved over and over again, in all our memorials, that the only system which would be satisfactory to us would be refining in bond; but of course we were obliged to face the alternative of having to accept a compromise, and therefore we stated these alternatives. After this an event happened which changed the whole aspect of the affair, and that was the passing of a law in the French Assembly in March 1874, which established refining in bond in France.

591. It was never carried out?—No, but it was a law establishing refining in bond on a certain day, and we have never been able to understand why that law was not carried out.

Mr. Bourke.

592. Before that law was established was there not a proposal to hold another Conference at Brussels in March 1874, which was declined by the Government?—I see that we have stated something to that effect in one of these memorials that I have just quoted from.

593. Do you recollect, as a fact, that there was a proposal to hold another Conference, which was declined?—I cannot at this moment recollect whether there was or not.

Chairman.

594. The refiners made a statement on the 1st of December 1873, with reference to refining in bond, did they not?—We did.

595. What was that statement?—It is given at page 21 of this Parliamentary Paper.

596. That was with reference to the objections which had been raised to refining in bond?—Yes; the origin of that was that at all the Conferences, and in all the various discussions on the matter, those who were opposed to refining in bond had raised objections, and tried to show that refining in bond was impossible to carry out. Of course our strongest argument that it was possible was that it was in actual operation in 500 factories in France; but, in order to meet the various technical difficulties which had been raised, we drew up this statement, which is a very careful examination of all those difficulties and our replies to them.

597. That statement is to be found on page 21 of these memorials relating to the sugar duties in Paper 89?—Quite so.

598. In that the refiners take up all the objections which had been raised to the refining in bond at the Conference, and they give a reply to each of the objections showing that, in their opinion, the objections there raised are groundless?—Yes.

599. One of the chief arguments which you use there is that the making of sugar in bond is already in existence in 500 sugar factories in France?—That is our chief argument; I do not say that it is used in this document, because this document is directed to dealing with the

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Chairman—continued.

technical difficulties which had been raised; but our main point of contention is that a system cannot be difficult to carry out when it is actually being carried out by the very Government which says that it is difficult to carry out.

600. There is a refiners' memorial I think of the 19th of November 1873, having reference to a mixed Commission, to which you wish to direct the attention of the Committee?—Yes, that is at page 31 of this same Parliamentary Paper. At the time when this memorial was prepared it looked as if matters were going to remain in *statu quo*; and as we wanted to have any remedy for the troubles that we were suffering from applied at once, we wished at once to have that part of the treaty which had not been carried out by France carried out; and therefore we requested that we might be heard before the mixed Commission, which was at that moment sitting in Paris, on the points that we wished to bring forward.

601. What was the mixed Commission; how was it composed?—I do not recollect at the moment what the nature of the mixed Commission was.

602. That was a Commission formed under the Commercial Treaty of 1873, was it not?—I do not think that we ever knew the exact nature of of this mixed Commission. We heard in some way, I do not recollect how, that this mixed Commission would take into consideration any points with regard to the commercial treaties, and therefore we requested, in default of any other remedy, that we might be heard before this mixed Commission and state our grievances.

603. You desired to be heard before this Commission with reference to the points in which France had not carried out the Convention of 1864?—Quite so.

604. What was the reply to that memorial?—The reply I see is dated the 9th of February 1874. It states, "That Her Majesty's Ambassador has been instructed to arrange, if possible, for the British sugar refiners being heard before the mixed Commission when sitting, as is proposed to be shortly the case in London."

605. There is a reply from the Sugar Refiners' Committee to that communication from the Foreign Office, dated the 23rd of February 1874, is there not?—Yes; it is addressed to Mr. Kennedy, and I see it begins by saying, "According to the arrangement made with you at our interview last Thursday, and also in conformity with a letter received by me from the Foreign Office on 9th February, in reply to my application to be heard before the mixed Commission, I now beg to send you in writing the heads of the claims which I wish to make before the Commission." Then the document goes on to state exactly the claim which we proposed to lay before the Commission.

606. And which you have stated in your previous evidence?—I have stated the substance of it, but of course this document gives all the arguments in greater detail.

607. But you do not wish to refer to that document any further, except as giving in greater detail that which you have previously stated, with regard to your objections to the position taken up by France?—This document gives calculations to show the amount of bounty that was being obtained by the departure from the terms of the Convention.

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608. I think

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16 June
1879.

Mr.
Martineau.
16 June
1879.

Chairman—continued.

608. I think you had better state, as shortly as you can, what those calculations are?—We point out that the duty on this particular class of sugar, ranging from No. 18 upwards, is 3 fr. 18 c. per hundred kilogrammes higher than it ought to be under the terms of the Convention, and that it is also 3 francs higher than it ought to be under reasonable circumstances; that it in fact gives 3 francs per 100 kilogrammes bounty to the refiners. We proved that by calculation. We go on to state what quantity of sugar the French refiners use of that kind, in order to indicate what a very serious injury it is.

609. Do you in any portion of this memorial give any indication based upon that as to what, in your opinion, is the total amount of the bounty?—No, only on this one point; it can be calculated from the figures which we state here.

610. In that memorial what do you give as the total quantity of sugar upon which the French refiners obtained this bounty by this system?—We estimate that they use 100,000 tons of this white sugar.

611. And upon that you say that they obtain a bounty of how much?—Of 3 francs per 100 kilogrammes; 100,000 tons is 100,000,000 kilogrammes, so that you merely multiply the 100,000,000 kilogrammes by three.

612. At the rate of 25 s. a ton, that would be about 125,000 l. on the 100,000 tons?—Yes.

613. That is the substance, then, of this answer to the letter from the Foreign Office?—Yes. The other point that we wished to bring forward was the incorrectness of the standards. The standards had been altered from what they were laid down by the Convention; they were laid down by the Convention to be equivalent to such and such Dutch numbers, and they had been altered.

614. Then I understand that there was also a letter from the West India Committee to the Treasury to which you wish to direct attention?—Yes; but previously to that there is another letter from Mr. Gadesden, the chairman of our committee, to Mr. Kennedy. The statement of our claim was made a few days before the sitting of the mixed Commission, and then this letter of the 25th of February was written immediately after the sitting of the mixed Commission, and this letter gives the substance of what occurred at the meeting of the Commission.

615. Will you state the contents of that letter?—The statements that we made before the mixed Commission were, as we fully expected they would be, argued by the French Commissioners; and this letter states the replies which we gave to the arguments and statements brought forward by the French Commissioners, in order to show that we had a perfectly sound case, and that we established our arguments in every case.

616. What was the result of this appearance before the mixed Commission?—There was no further result.

617. You simply laid your case before that Commission, but there was no action taken, and no result ensued?—No; the reason why no action was taken was that the negotiations were set on foot again for the establishment of refining in bond, and therefore, of course, any other alteration was held in a state of suspense while those negotiations were going on, I presume.

Mr. Bourke.

618. Did the French Minister of Commerce undertake, at that time, to propose the system of refining in bond before the mixed Commission?—The French Minister of Commerce undertook to propose a system of refining in bond to the other countries after the vote of 1874, but I am not aware that this statement that we made before the mixed Commission led to any result. I do not know what occurred diplomatically as the result of our statements before the mixed Commission; I have never been informed of any steps having been taken.

619. There is a letter from the West India Committee of the 28th of November 1873, to which you wish to direct attention, is there not?—This letter simply points out that "French sugar continues to receive an unfair advantage to the great injury not only of the refining interest in this country, but of all classes of sugar brought from the British colonies into the English market."

620. It prays the Government to take such steps as will lead to the abolition of bounties on the exportation of sugar?—Quite so.

621. Now we will go to the debate which took place in the National Assembly in February 1874?—I am sorry to say that I have not brought the copies of the *Journal Officiel* of that debate with me to-day, because I did not expect that we should get so far forward with the history of the case, but I can state the facts briefly. It was a very long and important debate, and speeches were made which entirely confirmed everything which had been said as to the abuses at present existing.

622. What was the debate upon; what was the question before the Assembly?—The question still was the law and the amendment.

623. The *projet de loi* and the amendment for the refining in bond?—Yes, the result of the debate was that the amendment for refining in bond was carried by a very large majority.

624. Was that carried with the concurrence of the Government or in opposition to the Government?—The Government resisted it, I think, in every way they could.

625. In the Assembly?—In the Assembly.

626. But the law establishing refining in bond was carried notwithstanding that?—It was carried notwithstanding that.

627. Do you know anything about what the numbers were by which it was carried?—I should not like to state from memory what the numbers were.

628. It was carried by a large majority?—Yes.

629. Whose amendment was that for establishing refining in bond; have you the words of the actual amendment?—This is what occurred in the sitting of the 20th December 1872 when this amendment was first proposed. It was proposed by Monsieur Pouyer-Quertier, and supported by Messieurs Villain, Alfred Dupont, and Paris. Monsieur Villain was a member of the Parliamentary Commission and Monsieur Pouyer-Quertier was the President of the *Conseil Supérieur*.

630. During the debate which took place upon this proposal, was anything stated as to what the amount of the bounty was?—The amount of the bounty was stated over and over again in these earlier debates also.

631. What was the amount of the bounty stated at during those discussions?—It was stated as amounting to about 20,000,000 francs.

632. Was

Mr. Bourke—continued.

632. Was that stated by Monsieur Pouyer-Quertier?—Yes, and by many others; it was not only Monsieur Pouyer-Quertier's estimate, only of course Monsieur Pouyer-Quertier's estimate is of more importance than that of the others, because he was the President of this *Conseil Supérieur*, and therefore he was supposed to have heard the evidence given before that *Conseil*, and to be better able to form an opinion of the amount of the bounty than the others.

633. Was that amount challenged by any of the speakers from the opposite point of view?—Yes; Monsieur Say, in his speeches, invariably said that the bounty was very small; but he did not argue the matter at all; he did not make any statements which tended to prove that the bounty was small.

634. Did he give any figures?—He did, in a rough way. I recollect that Monsieur Pouyer-Quertier on one occasion said in a speech, "Monsieur Say says the bounty is two or three or four millions; I say it is 20 or 30 or 40 millions." That was merely a figure of speech, of course. Monsieur Say on one occasion referred to an estimate given by the officials before the *Conseil Supérieur*, which I have already spoken of, one estimate being that the bounty was 8,000,000 francs, and the other being that it was 14,000,000 francs; but that was without reference to excess yield.

635. That was a debate in February and March 1874, was it not?—Yes; it was a continuous debate.

636. It was in March 1874, was it not, that the resolution was arrived at establishing refining in bond?—Yes.

637. That was to establish refining in bond on a certain day, was it not?—Yes, in July 1875 I think it was.

638. Was any representation made by the Sugar Refiners' Committee to the Chancellor of the Exchequer on the 2nd of March 1874?—Yes; that appears on page 8 of this Parliamentary Paper.

639. Is there anything in that memorial to which you desire to direct the attention of the Committee?—We directed the attention of the Government to the fact that the resolution for refining in bond had been submitted to, and accepted by the National Assembly. This is evidently drawn up in reference to the debate that was then going on in the National Assembly.

640. You say, "Last week the adoption of the system proposed by the British Government was again moved in the National Assembly, and was definitely accepted by the French Government. The mover desired that it should be adopted without delay. The French Government insisted that, in its opinion, it could not, under the terms of the Convention, be adopted until July 1875, when the Convention expires. The two proposals, the one for the adoption of the system on the 1st August 1874, and the other for its postponement to July 1875, have been referred to the Commission on the Budget." That shows, I think, that it was with reference to this decision of the National Assembly that this further memorial was addressed by the Sugar Refiners' Committee to the then Chancellor of the Exchequer?—Yes; I might mention that the refining in bond proposal was not definitely accepted by the French Government until it

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Mr. Bourke—continued.

was actually a *fait accompli*, until it was actually passed. Otherwise this would appear at first sight to contradict what I have already stated, that the French Government resisted the proposal for refining in bond.

640*. What I understand is, that the resolution for refining in bond was passed by the Assembly, but that a question still remained as to the date at which it should come into operation?—Quite so.

641. That question was then referred to the Commission on the Budget, in fact?—Yes.

642. What conclusion did they come to as to the date?—That I do not recollect; but I see the object of this memorial is to urge that the excise supervision should be carried out at once, as being thoroughly consistent in every way with the object for which the Convention was entered into.

643. You contended that if it had been put into operation at once, it would not have interfered with the stipulation of that Convention?—Yes.

644. It would have been, in point of fact, a carrying out of the spirit of the Convention?—Entirely.

645. Was there any reply to that memorial from the Government?—I do not see any here.

646. There was a further memorial, I think, from the Sugar Refiners' Committee to the Chancellor of the Exchequer on the 4th of March?—Yes.

647. Is there anything in that to which you wish to call attention?—The object of that memorial was to induce Her Majesty's Government to assure the other powers that Great Britain would have no objection to the immediate carrying out of the vote of the National Assembly.

648. The object appears to be to suggest that Great Britain should, along with the other powers, Holland and Belgium, represent to France that it would be no infringement of the Convention to carry out the law which was passed by the Assembly?—Yes.

649. And there was a second point which was laid before the Government?—That was with regard to the points that had been brought before the mixed Commission; and we refer to that here in order to point out that the French Government had only two courses open to them; either to carry out at once the law voted by the National Assembly, or to remedy those defects which we had brought before the mixed Commission, and to carry out their obligations under the Treaty. They were under obligations to do certain things under the Treaty which they had not done.

650. You desired to represent two things: one that, in your opinion, it would be no infringement of the Convention for France to adopt refining in bond at once; but if it was not adopted at once, you desired to impress upon the Government the necessity of urging France to carry out the Convention of 1864, which she had hitherto failed to carry out?—Yes, and of course the object of urging upon them these points at that time was to induce them at once to carry out refining in bond, and to show that it really answers the purpose for which we intended it.

651. There was a further memorial on the 30th of March 1874, was there not?—Yes, that follows immediately after the other one in the Parliamentary Paper.

652. I think

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652. I think that had reference to an interview which the Chairman of the Sugar Refiners' Committee had with the Chancellor of the Exchequer?—I see this memorial urges that if the sugar duties were abolished we ought still to continue to be a party to the Convention.

653. That memorial was with a view to the probable abolition of the duty in this country?—It was evidently.

654. That was just before the Budget of 1874, I suppose, when a change in the duty was probable?—Yes. The object of the memorial was to urge that if the sugar duties should be abolished in this country, we still ought to remain parties to a Convention for the abolition of bounties on export; that we were just as much interested in having foreign bounties abolished without a sugar duty in this country as we were with a sugar duty.

655. There was a further memorial from the trade on the 25th of March 1875, was there not?—Yes; that is at the very end of the Parliamentary Paper, at page 47.

656. What are the points in that memorial to which you wish to direct the attention of the Committee?—This was with reference to some remark which the Chancellor of the Exchequer had made at an interview which we had with him, in which he had thrown out the suggestion that perhaps it might be well to simplify the scale by getting rid of graduation, and in fact, by establishing a uniform duty. Of course, that was a system which had always been resisted most strenuously by us, because a uniform duty on sugar would amount to a prohibition to the importation of any but the highest qualities.

Mr. Courtney.

657. When was that?—On the 25th March 1874.

Chairman.

658. That was with reference to our duties?—Entirely.

659. It had no reference to the international question?—There is a part at the end of this memorial which refers to that. We, in that memorial, support the abolition of the sugar duties in this country on the ground that the constant changes of sugar duty very much disturbed the trade; but we said we only did so because the Chancellor of the Exchequer had assured us that in the event of the abolition of the duty Her Majesty's Government would use every effort to obtain a new treaty.

660. You supposed, I imagine, that by the abolition of the duty here, England was to become the great entrepôt for sugar?—Certainly.

661. In that you have been deceived, I suppose?—Yes.

662. What was the next stage in these negotiations?—We have now arrived at the most important point in the history of the whole affair, which is the passing of this law in the National Assembly in March 1874, by which refining in bond ought to have been established in France on the 1st of July 1875. The further history of the matter is contained in the Parliamentary Return of the Correspondence; Commercial, No. 70, C. 1076, of 1874. I am not at present prepared to go into that in detail, but I can give the general drift of the matter.

663. We have seen how the British sugar refiners urged upon the English Government the

Chairman—continued.

necessity of taking steps to induce France to carry out that law; what was the next stage in the proceedings?—There was a very long diplomatic correspondence on the subject. Lord Lyons used every effort in Paris to urge the French Government to carry out that law, and he used the argument which we had suggested, that there were only two courses open to the French Government: either to perform their obligations under the treaty, or to establish refining in bond, which would certainly abolish bounties on export.

664. What did this correspondence in the end lead to?—It led to a full admission on the part of the French Government that refining in bond would abolish the bounty; and during the correspondence between Lord Lyons and the Duc Decazes, the Duc Decazes assured Lord Lyons that as refining in bond was so complete a remedy for all the evils, it would be much better for the English Government to wait until refining in bond was carried out; and that, therefore, there would be no necessity to take steps to remedy the evils resulting from France not having carried out the terms of the Convention.

665. This correspondence went on for some time, I think?—It went on for some time, and the French Government mentioned various dates at which the law of the National Assembly was to be carried out.

666. In all the correspondence with the French Government, there was no attempt to lead us to suppose that France was not prepared to carry out the law?—Quite the reverse. We were assured over and over again that every preparation was being made to carry out that law; and most distinctly every preparation was being made. The matter was referred to the Council of State, and regulations were being drawn up for carrying out the law.

667. What was the date eventually arrived at as the date at which refining in bond was to be carried out?—The law that was passed by a large majority in March 1874 mentioned the date of July the 1st, so far as I recollect, because I believe that was the date when the Convention expired. I am speaking now from recollection.

668. I think the correct time was October 1874?—I am very sorry that I have not prepared myself on this point, having devoted myself to the preparation of the earlier part of the history.

669. But you are so thoroughly acquainted with it that you will probably be able to answer my question, at any rate in general terms?—So much has happened since that time, that my memory has become rather less correct than it otherwise would be; but if we go through this book, we shall find, I think, the various dates that were mentioned. I think July was the date mentioned when the law was passed in the National Assembly, and there were various postponements for various reasons. I know it was postponed from July to a later date, on account of the preparations that were being made, and the regulations that were being drawn up for refining in bond; and, of course, all these delays were very unsatisfactory to us.

670. I think the French Government were urged again and again by our Government to take steps for carrying this out, and the answer on every occasion was, at least latterly, that the only

Chairman—continued.

only thing which was delaying the carrying out of the refining in bond was the formulating of the regulations under which that system was to be carried out?—Quite so; and when Lord Lyons said that it was becoming a question not only of good policy but of good faith, that France should perform her obligations under the treaty with regard to refining in bond, he was answered that those regulations were being framed, and that that was the only reason why the delay took place.

671. You have Paper No. 20 before you; will you turn to page 40 of that Paper, on which there is a despatch from Lord Lyons to Earl of Derby, No. 51, in which Lord Lyons gives an account of the conversation which he had had with the Duc Decazes in the sense of the despatch received from the Earl of Derby, dated the 20th of August, respecting the sugar question?—On page 41 there is this passage: "I then proceeded to recite to his Excellency the remarks made in your Lordship's despatch, and to express the earnest hope of Her Majesty's Government that, at the meeting of the mixed Commission appointed to be held in London next month, the French Commissioner would make an announcement either that the Convention would be at once fully executed, or that refining in bond would be forthwith carried into effect. The Duc Decazes answered that the present French Government would most gladly have brought the Convention of 1864 into full operation, if it had been in their power to do so. But the '*corrélation*' required by the Convention could not be established without a law; and after carefully examining the matter, the Government had ascertained beyond all doubt that it would be impossible to induce the Assembly to pass such a law. Nevertheless the Assembly had (the Duc Decazes went on to say) by authorising the introduction of the system of refining in bond provided a means of attaining the objects of the Convention much more effectually than by a literal execution of its stipulations" (that is a very full admission on the part of the French Government). "The Government had on their part, the Duke told me, made great progress in the preliminary measures necessary to enable them to bring refining in bond into actual operation. The efficacy of the system must of course depend upon the details of the measures adopted for enforcing it. If those measures were ill conceived it might in practice become entirely illusory" (the measures were ill conceived and did become illusory); "and on the other hand it was not a simple matter to apply the system for the first time to the sugar refining establishments throughout France. Nevertheless the Government had already quite completed a code of regulations on the subject, and had sent it, as was necessary, to the Council of State. That body was at the present moment taking its regular vacation, but it would soon reassemble, and it might be expected to report upon the regulations towards the end of next month" (that is the month of September). "It was, the Duke went on to say, his intention to communicate the regulations to Her Majesty's Government as soon as they were thus definitively settled, and he hoped to be able to do this early in October."

672. The last three paragraphs I think are important; perhaps you will be good enough to read them?—"I asked the Duc Decazes whether

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the sentiments he expressed were fully entertained by M. Grivart, the Minister of Commerce, and M. Mathieu Bodet, the Minister of Finance, who had come into office since the discussions on the sugar question in the Assembly. The Duc Decazes answered, that undoubtedly his two colleagues entirely shared these sentiments. I begged him to communicate to them without delay the representation I had just made to him, and in order to enable him to do so accurately and completely I left him at his request some written notes of the substance of your Lordship's despatch. In conclusion, the Duc Decazes authorised me to assure Her Majesty's Government that it is the desire and the determination of the French Government to establish refining in bond (*'l'exercice des raffineries'*) as soon as possible."

673. That was therefore a postponement from the 1st of July to early in October?—Yes.

674. As a matter of fact, were those regulations ever communicated to Her Majesty's Government?—Yes; when the Conference was held in Brussels in the following year, they were communicated at the first sitting of the Conference.

675. There was a Conference in the following year?—There was a Conference in Brussels in May 1875. I am speaking now from memory. You asked me a little while ago what was the exact date of this law, and what the exact words of this law were. I have it here at page 9 of this Parliamentary Paper.

676. I do not know that it is important; we know that it was establishing refining in bond, and we know from the despatch that you have just read that it was ultimately concurred in by the French Government and by the Minister of Commerce; when was the next Conference held?—In May 1875, so far as I recollect.

677. Where?—At Brussels.

678. Who were our representatives there?—Mr. Walpole and Mr. Lefeuve. I am speaking now entirely from memory.

679. What was the result of that Conference?—The result was that a Convention was drawn up on the basis of refining in bond. I should like to state the nature of the regulations that were proposed by the French Government, because that is a very important point. The French Government, in the letter which I have just read, stated that they were preparing regulations, and that unless those regulations were satisfactory, the result would be illusory.

680. We saw those regulations first at this Conference?—Yes. I should like to state one point in the regulations, which was, of course, the cardinal point of the whole thing. As I explained on Thursday, the object of refining in bond is to get rid of the payment of drawback on exportation, to obtain what the French call, "*impôt à la consommation*," duty levied only on the sugar as it goes into consumption. Those regulations were framed in such a way that, although they were going to establish what they call "*exercice*," Excise supervision of the refineries, there would still be a payment of drawback on exportation. Therefore they proposed a system which would not remedy the evil complained of. The only argument advanced by those who advocated refining in bond, was that a drawback was paid on the exportation of refined sugar, and that that drawback was excessive, and therefore

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Chairman—continued.

contained a bounty. These regulations were so framed that a drawback was still maintained upon the exportation of refined sugar.

681. But, as a matter of fact, no attempt was made by France to carry out refining in bond, even under those regulations?—That we shall come to as the result of the Conferences of 1875.

682. But, as a matter of fact, nothing was done by France in that way?—No, certainly not, even under those regulations. I can explain the nature of the defect in the regulations at once. The proposal of the French Government which led to the necessity of still retaining a drawback on the exportation of refined sugar, was that there should be a preliminary duty, what they called a minimum preliminary duty, on the entry of the raw sugar into a refinery. That, of course, at once involved, where there is a payment of duty on the raw sugar, a return of drawback on export. The only reason why anybody ever asked for refining in bond was that all duty on raw sugar should be abolished; and in order to carry that out, it was necessary to have refining in bond. Nobody wished to have refining in bond for the sake of having refining in bond itself; they only wished for it to secure that no drawback should be paid on the exportation of sugar.

683. That partial refining in bond, as I understand, proposed by the French Government by that regulation, was that a minimum duty should be levied when the sugar went into the refinery, and that some watch should be kept as to whether the yield was larger than this minimum duty which was taken, and that a further duty should then be paid upon the sugar going out of the refinery?—Yes; so that, under that system, the only security to the other countries would be that that watch should be effectual; whereas, if it was refining in bond pure and simple, the security to the other countries would be that there was no return of drawback at all.

684. In fact no duty would be paid upon the raw sugar intended for manufacturing into refined sugar for export, and therefore no return duty would be paid, and therefore, of course, no bounty would be obtained?—Quite so; and the code of regulations drawn up by the French Government were quite inconsistent with the law previously passed in the National Assembly, because that law (which only consists of about half-a-dozen lines) was that, "From the 1st of July 1875, at the latest, the refineries shall be subject to Excise supervision under the same conditions as the factories." There is no return of duty on exportation from the factories; and therefore the regulations which they drew up, and which were presented at the Conferences in 1875, were quite inconsistent with that law.

685. Will you state what, practically, was the result of the Conference of May 1875, which was held in Brussels?—The result was that refining in bond was to be established in Holland and

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France, and that Belgium was to retain the present system, but was to improve it.

686. And that was agreed to by all the delegates?—It was agreed to by all the delegates, and accepted by all the Governments.

687. Was that protocol ratified by the various Governments?—It was ratified by the National Assembly in France, I think, on the 31st of December in that year. It was ratified by the Belgian Chamber after a very long debate; and then it came before the Dutch Chamber early in 1876.

688. What was the result in the Dutch Chamber?—The result was that a great discussion arose in the Dutch Chamber, as to whether, if the Dutch Government entered into a new treaty on these bases, they would be at liberty, at any moment, to abolish their duty. It was generally felt, in the Dutch Chamber, that there would be, at all events, some hindrance to their freedom in dealing with their own duty in that way; and therefore the Dutch Chamber most unfortunately threw out the Convention.

689. In opposition to the Government?—In opposition to the Government. The Government urged the passing of the ratification of the Convention, and the Chamber, most unfortunately, threw it out.

690. After the Chamber had refused to ratify this Convention, under the impression that by accepting it Holland would be precluded from abolishing the sugar duties, did the Dutch Assembly find out that they were in error in supposing that it would prevent their abolishing the sugar duties?—They did. They had evidently taken action in rather too hasty a way, and, on reconsidering the matter they came to the conclusion that they had taken a wrong step.

691. Then the Dutch Assembly afterwards took further action in the matter?—They took further action in the matter, and they passed a resolution calling upon the Government to reopen the negotiations upon the basis of the Convention which had been drawn up at Brussels in 1875, and, if possible, to obtain a treaty upon that basis, but with the strict proviso that Holland should be at liberty, at any moment, to abolish her duty.

692. So that, although the Dutch Assembly had by their previous vote declared against the Convention establishing refining in bond, they did, as a matter of fact, within about a month of that time, I think, pass a resolution asking the Government to agree to the terms of this Convention, on the distinct understanding that Holland would be at liberty, at any time, altogether to abolish her duties?—Yes; they passed a resolution to that effect.

693. What was the action of the Dutch Government?—The Dutch Government acted on that resolution.

694. So that we may say that the French Assembly, the Belgian Assembly, and the Dutch Assembly, assented to refining in bond?—Yes.

Thursday, 19th June 1879.

MEMBERS PRESENT:

Mr. Bell.
Mr. Bourke.
Mr. Alexander Brown.
Mr. Eugene Collins.
Mr. James Corry.
Mr. Courtney.

Mr. Orr Ewing.
Sir James M'Garel-Hogg.
Mr. Norwood.
Mr. Onslow.
Mr. Ritchie.
Mr. Stewart.

C. T. RITCHIE, Esq., IN THE CHAIR.

Mr. GEORGE MARTINEAU, re-called; and further Examined.

Chairman.

695. WITH regard to the Convention of 1864, when did that expire?—In July 1875.

696. France made some change in her law at that time, did she not?—Yes.

697. What change did she make?—There was a law passed, on the 29th of July 1875, which maintained the old law as regards the figures, but introduced a clause permitting analysis to be had recourse to, if the sugar should appear to be richer than it was estimated to be according to its colour.

698. That, practically, is optional saccharimetry?—It is.

699. Did this law have the effect of reducing the bounty?—No, I do not think the bounty was reduced until the next law was passed.

700. When did they pass another law?—They passed another law at the same time that they ratified the Convention.

701. Do you mean the Convention of which we spoke as having been agreed to at the Conference?—Yes; they passed a law ratifying the Convention on the 30th of December 1875; but at the end of that law they introduced what they called a "disposition alternative," an alternative law, which said, that in case the Brussels Convention were not carried out, the old law of the 29th of July 1875 should be retained with certain modifications; and those modifications tended, to a certain extent, to reduce the bounty.

702. The law that you speak of was really optional saccharimetry with modifications?—It was.

703. And those modifications did reduce the bounty?—Yes.

704. I do not think we have had from you any estimate of what the actual bounty was?—No, I have merely stated that it was estimated at certain amounts in various quarters. I have stated that the French sugar manufacturers estimated the excess yield at a certain amount, and that has been stated over and over again in the newspapers in France connected with the sugar industry; and, in the debates which took place in the National Assembly in 1872, 1873, and 1874, the amount of the bounty was stated over and over again by the speakers who argued in favour of the establishment of refining in bond.

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Chairman—continued.

If the Committee wish it, I could quote, as an instance, a statement which was made by Monsieur Dupont, who made a very conclusive speech on the subject, on the 13th of February 1873.

705. Who was Monsieur Dupont?—He was a deputy.

706. Did he occupy any official position at all?—He was afterwards appointed as one of the delegates to represent France at the Conferences of 1875, which resulted in a Convention on the basis of refining in bond.

707. According to that, of course, he was supposed to have some knowledge of the subject?—Clearly; he understood the subject most thoroughly.

708. What was his estimate of the bounty; I am speaking now of the bounty before the operation of this new law, which you say reduced the bounty?—Quite so. He was arguing at the time against the law brought in by the French Government, and he was pointing out that that law would only be an aggravation of the existing abuses.

709. That is the old *projet de loi*, which was so long before the Assembly?—Yes, which was never passed, and which was replaced by a law enacting that refining in bond should be established in France. In describing the existing system, which was the system of the assessment of the duty according to the colour of the sugar, he pointed out that the richness of the raw sugar was very much under estimated, and he stated that the excess yield on the raw sugar amounted to from 12 to 15 per cent.; and he went on to state that, if the quantity of refined sugar exported were multiplied by the number 12 or 15, that would give an estimate of the amount of the bounty arising from that cause alone.

710. What is the total amount in francs?—I do not know that he stated it, but I think he took the figure of 157,000,000 kilogrammes as the quantity exported; and if that is multiplied by 12 it comes out at over 18,000,000 francs.

711. So that, if multiplied by some figure between 12 and 15, it would really give the very same amount as that estimated by Monsieur Pouyer-Quertier, viz., 20,000,000 francs?—Yes,

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Monsieur Pouyer-Quertier's estimate was made at the same time. I am merely quoting this as one out of many statements which I could quote that were made in the National Assembly at the time. Then Monsieur Dupont went on to say that the amount was independent of the other bounty which I have described, which was obtained by the under estimation of the richness of the other classes of raw sugar, and which had been officially estimated at from 8,000,000 to 14,000,000 francs.

712. Have you calculations of your own upon the subject?—I should like to mention, before I go on to my own calculation, another estimate that was made in Belgium. This was an estimate made in a work published in Belgium, by a Belgian writer on the sugar question, and I wish to quote this in confirmation of the other estimates. We furnished it to Lord Derby on the 18th of January 1875. It will be found at page 36 of the Blue Book, C. 1357 of 1875. It is very brief, and I should like to read it to the Committee if you will allow me. It is in French, and I will read the translation: "The refined sugar exported from France in 1872 amounted to 143,549,000 kilogrammes, and the quantity of raw sugar which, according to the Customs, served for the manufacture of this refined sugar, is 178,577,000 kilogrammes, which gives, for the raw sugar, a yield of 80 per cent. But the average yield of raw sugar in refined sugar amounts to 88 or 90 per cent. In taking 89 per cent. as the yield, the 178,577,000 kilogrammes of raw sugar ought to give 158,865,000 kilogrammes of refined sugar. There remain then 15,315,000 kilogrammes of refined sugar in France which are free of duty, which, at a duty of 73 francs, produce the sum total of 11,180,000 francs. In making the same calculation for the year 1873, we arrive at a quantity of refined sugar free of duty, which amounts to 17,399,000 kilogrammes, and to a sum total of 12,691,000 francs." That was the estimate of the bounty arising solely from the excess yield of those classes of raw sugar which were entered for temporary admission, and it was independent of the other bounty, which I have already explained was officially estimated at 8,000,000 francs.

713. So that by that calculation the two together would come to about 20,000,000 francs?—Yes. We then made out an estimate which we furnished to Lord Derby, and which was afterwards forwarded to the French Government. It will be found on page 125 of the same Blue Book. The Committee will recollect that Monsieur Dupont had estimated the excess yield at 12 to 15 per cent. We wished to be well within the mark, and, therefore, we took an estimate of only 10 per cent., and we made the calculation in the same way as the Belgian calculation is made. We took the quantity of raw sugar which was entered to be exported after refining, and we took the quantity of refined sugar actually exported; and we found that that represented on the average of the three years, 1872, 1873, and 1874, a presumed yield of 78·92 per cent. I see that we took the real yield at 90 per cent.; we then calculated what quantity of refined sugar was really produced, on the basis of the raw sugar yielding 90 per cent., and we found that on the average of those three years there was an excess over the legal quantity of 22,328,917 kilogrammes, which gave an

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export bounty of 16,371,545 francs. To that is to be added the bounties from the other sources, those bounties arising from the fact of the French duties not being in correlation with the yields established by the Convention of 1864. The white sugar, which I spoke of on a former occasion as forming a very large portion of the sugar used by the French refiners in the manufacture of loaf sugar, is assessed at a duty of 70 francs 20 centimes, although it contains, within a very small fraction, 100 per cent. of sugar; and the real duty on refined sugar in France is 75 francs per 100 kilogrammes; and I am going to explain why I take 75 as the figure. Seventy-three francs 32 centimes is the duty which appears on the tariff, but that is not a duty which really comes into operation unless refined sugar be imported from French colonies. I am about to explain why I take 75 francs as the real duty on refined sugar in France. When the refined sugar is exported the refiner receives a certificate of exportation, and those certificates of exportation are sold in the market at 75 francs per 100 kilogrammes. Therefore I think I am right in saying that that is really the practical duty on refined sugar in France. and as the white sugar, which I have described as being used by the French refiners, is practically refined sugar containing 99½ or 99¾ per cent. of pure sugar, and is only assessed at 70 francs 20 centimes, it is clear that it is under assessed to the extent of 4 francs 80 centimes. Now 100,000,000 kilogrammes or 100,000 tons of that sugar, in round numbers, are used annually by the French refiners, and that quantity, if multiplied by 4·80, gives a sum of 4,800,000 francs. That has to be added to the previous amount that I spoke of. There is another amount to be added still, because the duties in France fail to be in correlation with the scale of the Convention of 1864 in two points; not only with regard to this white sugar, but also with regard to sugar above No. 14, that is to say, the first-class sugar. Nos. 15 to 18, and sugar above 18, between 18 and refined sugar, are both of them under assessed; and we estimate that the under assessment of those sugars amounts to 2 francs per 100 kilogrammes. If we take, in round numbers, the quantity of that sugar used annually by the French refiners at 70,000,000 kilogrammes, that gives a further sum of 1,400,000 francs of bounty; so that we have 6,200,000 francs to add to the previous amount of 18,600,000 francs, which gives a total of 24,800,000 francs in round numbers, which we estimated the bounty to be previous to the law of December 1875. The 6,200,000 francs, I should say, appear to be rather an under estimate than an over estimate, because the official estimate of that bounty, given before the Superior Council of Commerce, amounted to 8,000,000 francs.

714. Then I understand that there were two estimates given in the Assembly in France; one by Monsieur Pouyer-Quertier, and another by Monsieur Dupont, both of those being about 20,000,000 francs?—Yes.

715. And there was an estimate formed in Belgium which also amounted to about 20,000,000 francs?—Yes.

716. The estimate made by you on the basis which you have just named was 18,600,000 francs?—Yes.

717. Then do I correctly understand that, in the

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the French and Belgian estimates, this other amount of 6,200,000 francs which you now include, was not included?—It was not included. They only estimated the bounty on that particular point of which you have spoken.

718. So that you would have to add 6,200,000 francs to each of those estimates?—Yes.

719. That, therefore, brings up the estimate made in the French Assembly to 26,000,000 francs, the Belgian estimate to 26,000,000 francs, and your estimate to 24,000,000 francs?—Yes.

720. The answers which you have given have had reference, have they not, to the state of things before this new French law establishing optional saccharimetry with modifications was passed?—Yes.

721. You have stated that that law reduced the bounty; to what amount, in your opinion, did it reduce the bounty?—I can give various estimates that were made in France of what the bounty amounted to after that law came into operation. The latest estimate, and I think the one on which the Committee ought to rely, is one that was given as recently as November last. The French Sugar Manufacturers' Committee were called to give evidence before the Commission on the general tariffs in Paris, and they were examined on this point; and they gave a very detailed statement of their estimate of the present amount of the bounty. I should like to lay that estimate before the Committee. As soon as it came before us we called the Marquis of Salisbury's attention to it in a letter of 7th February 1879, which is at page 37 of Parliamentary Paper, Commercial, No. 9, 1879. The evidence was given in November, but it did not appear in the "Journal Officiel" until the 14th of January; and directly it came into our hands we called the Marquis of Salisbury's attention to it. We were indebted to the kindness of the Foreign Office for the "Journal Officiel" containing this very valuable statement. This is an estimate of the bounty obtained solely from the under assessment of those classes of sugar which are entered for temporary admission.

722. On the same basis, in fact, as that on which the bounties were estimated before the passing of this Act?—Yes; Monsieur Jacquemart, the vice-president of the Sugar Manufacturers' Committee, gives full details, with which I need not trouble the Committee; and his conclusions are, that in 1875 a bounty of 11,000,000 francs was received; in 1876 10,000,000 francs; and in 1877, 8,000,000 francs.

723. All those are after the passing of this law of which we have spoken?—Yes.

724. Would the amount which you have spoken of, estimated at something like 6,000,000 francs, have to be added on to these?—Yes; that other amount which I spoke of, and which we estimated at 6,200,000 francs, would remain just as it was before, and that would go on increasing in proportion as the quantity of white sugar used by the French refiners also went on increasing.

725. It is obvious that the more pure sugar they are able to obtain at a lower duty than is payable on pure sugar, the larger the bounty that they would obtain?—Quite so.

726. So that, adding those two amounts together, it may be said that in 1875 the bounty, after the passing of this law, was 17,000,000 francs; that in 1876 it was 16,000,000 francs, 0.104.

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and that in 1877 it was 14,000,000 francs?—Quite so.

727. Is there any other calculation of your own that you can give us?—No; we consider that this detailed statement made by the French Sugar Manufacturers' Committee, in November last, is a far more important statement on the question of the French bounty than any estimate that we can ourselves make.

728. This only brings the amount of the bounty down to 1877, I believe?—Yes; the reason why it does not bring it down to 1878 is that this statement was made in November 1878, and, therefore, the return of the quantity of refined sugar exported in 1878 had not appeared. The quantity of refined sugar exported in 1878 was 166,624,000 kilogrammes.

729. As the exportation in 1877 was only 153,000,000 kilogrammes, of course, the bounty would be higher in 1878 than in 1877?—Yes. Of course when a new law first comes into operation, it is not at first quite understood how best to obtain the maximum amount of bounty out of it; but, as matters go on, of course they become more and more skilful in arranging matters, so as to obtain the full amount of bounty from the new arrangement.

730-1. I understand that these estimates of bounty are made altogether apart from any question of falsification or fraud?—Quite so; Monsieur Jacquemart, in his estimate, merely sticks to the figures; but it has been admitted over and over again that the system of saccharimetry, whether optional or imperative, involves the risk of samples being falsified; because it must be perfectly clear to the Committee that if 100 tons of sugar are going to be assessed with duty upon the basis of a sample which you might hold in the palm of your hand, there would be every temptation for a small amount of sleight of hand, by which some different sugar should be substituted for those few ounces of sugar on which the estimate is to be made; and we have heard of recent actual cases where this substitution has taken place.

732. Do you consider this last estimate which you gave us is an authentic estimate of the present state of things?—I think an estimate made by the committee representing the 500 sugar manufacturers of France, is as authentic an estimate as could be made by any person connected with the sugar industry.

733. That estimate which you have just given of Monsieur Jacquemart is to be found, I believe, on page 38 of Parliamentary Paper, Commercial, No. 9, 1879?—Yes. In addition to the falsification of samples, there is another disturbing cause with regard to the assessment by analysis, and that is, that the analysis might be incorrect; and we have heard of recent cases where the official analysis has actually been lower than the commercial analysis, instead of being, as it ought to have been, rather higher; because we know for a fact that the system of analysis adopted in the official laboratories is a system which ought to arrive at a rather higher yield than the system adopted in the commercial laboratories; and yet we have heard of recent cases where the official analysis has actually been lower than the commercial analysis—

734. That would show either great carelessness, or fraud, would it not?—I do not wish to draw any inference from this fact; I merely mention

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tion the fact; and we have called the attention of the Foreign Office, I believe, to the subject.

735. You spoke about optional saccharimetry; with whom lies the option of adopting this mode of testing?—This is one of the points which we have never been able to understand with regard to the French law now in operation; because we have been told over and over again that sugar now in France is assessed by saccharimetry, and no longer by colour, and that the errors arising from assessment by colour are now entirely got rid of. But when we look at these laws, we find that it is not so. These laws do not tell us who is to exercise the option, whether the refiner is to exercise the option, or whether the Customs and Excise officers are to exercise it. It is quite impossible to understand how anybody, by looking at a particular sample of sugar, can tell whether it will be necessary to analyse that sugar, in order to ascertain its yield, or whether it will be sufficient to assess its yield according to colour.

736. I suppose the probability is that this other system is to be adopted in case of any dispute?—The words used are: "*Dans le cas où la nuance des sucres paraîtrait ne pas correspondre à leur richesse effective, le service provoquera l'expertise légale et les commissaires experts recourir pour le classement définitif, aux procédés saccharimétriques. De son côté, le fabricant ou l'importateur aura la faculté de déclarer la classe à laquelle appartiennent les sucres d'après leur richesse effective, toutes les fois que cette richesse ne sera pas en rapport avec la nuance.*" But who is to say when the richness is not in proportion to the colour?

Mr. Courtney.

737. In a case where it appears that the richness does not correspond with the colour, the official analyst has the right to proceed by saccharimetry; and then there is a defensive action on the part of the manufacturer or importer?—Yes, but how is the official to ascertain that the richness is not in proportion to the appearance.

Chairman.

738. By the saccharimeter, I suppose?—The alternative law of December 1875 says: *Lorsqu'il aura lieu, conformément à l'article 3 de la loi précitée, de recourir à la saccharimétrie, le classement des sucres s'opérera d'après le tableau ci-après;*" so that that shows that Clause 3 of the previous law is still in operation, that it is optional.

739. When we separated last we had come to this point of the history of this question: that the Dutch Chamber had refused to ratify the Convention of 1875, but that on reconsideration of the question shortly after, having passed a resolution not to ratify it, they passed a resolution asking the Government to take the question up again upon the basis of that Convention which they had previously rejected?—Yes; that was on 7th April 1876.

740. Will you kindly give us the words of that resolution of the Dutch Chamber?—They are at page 16 of Parliamentary Paper, Commercial, No. 13, 1876. Sir E. Harris, in forwarding the account of it to the Earl of Derby on the 8th of April, gives a translation of it: "The Chamber having heard the statements of the Ministers of Foreign Affairs and Finance, is of opinion that

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it is desirable to enter into negotiations with the three Powers, signatories of the Convention of 11th August 1875, to proceed afresh with the said Convention upon the condition that a conclusion of that Convention should leave Holland free, at her option, to repeal the sugar duties."

741. Did the Dutch Government act upon that resolution?—They acted very promptly indeed. I see that on the 14th of April, only seven days afterwards, Count Bylandt, the Dutch Minister to this country, made a proposal for a Conference, with a view to the renewal of the Convention.

742. I suppose a similar proposal was made to the other parties to that Convention?—I presume so.

743. How was the proposition received?—The extraordinary thing is, that France immediately objected to reconsider the Convention which had been entered into at her own suggestion.

744. Then, in point of fact, the French Government having, in obedience to their law, passed by their own Chamber in March 1874, made an arrangement for refining in bond, having obtained a Convention on that basis, and having procured its ratification by its own Assembly, when Holland had thrown it out through an error, the French Government refused to reopen the negotiations upon the basis of their own law?—Quite so; and I think that can be accounted for in this way, that when the Convention of 1875 was ratified in the National Assembly, at the conclusion of the clauses in the law which would have carried out that Convention, there appeared this alternative law to which I have already referred, prolonging the existing system in case the Convention was not ratified; and therefore the French Government considered that they had escaped from carrying out the law of March 1874, and that this alternative law would, as soon as the necessary time had elapsed, become the law of the land.

745. Did not France at that time again establish some surtax upon sugar?—They immediately surtaxed the raw sugar coming from Belgium, which I think showed that they considered that they were free from any further action with regard to entering into a Convention for the establishment of refining in bond in obedience to the law of 1874.

746. Did Belgium protest against that?—Belgium protested very strongly, and Monsieur Malou, the Belgian Finance Minister, pointed out that it would compromise the possibility of carrying out the Convention which had been entered into after so much trouble.

747. I believe our Government, seeing the changed position of Holland with reference to the Convention of 1875, endeavoured to get the time for ratifying the Convention postponed?—Yes, in order to give time for coming to a fresh arrangement.

748. Seeing that Holland had reconsidered her position, and was willing to accept the Convention with a certain modification, England endeavoured to get all the other Powers, parties to that Convention, to postpone the ratification with a view of ultimately having that Convention agreed to?—Yes.

749. I believe England was unsuccessful in that endeavour?—She was.

750. France, I believe, refused to extend the period for ratification?—I believe she did.

751. I believe there was some difficulty with reference

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reference to Holland herself, was there not?—I think it was generally agreed that the refusal on the part of the Dutch Chamber to ratify the Convention amounted technically to a termination of the matter.

752. Then, I believe, France, whilst refusing at that time to reopen the negotiations on the basis of refining in bond, was willing to reopen the negotiations upon the basis of the system of saccharimetry?—Yes; they agreed that we should come to some arrangement for a treaty on that basis.

753. And the suggestions by France to reopen negotiations upon that basis were declined, I think, by all the other Powers?—Yes.

754. Holland objected to going into a conference upon that basis?—Yes; the fact is, that saccharimetry had been previously rejected; very strong objections had been raised to saccharimetry by all the Powers concerned.

755. And they again declined, at that time, to go into a conference on the understanding that the conference was to be held on that basis?—They declined to go into any conference where the question should be limited to one particular system.

756. Limited to that system of saccharimetry?—Yes.

757. The Dutch were anxious to renew negotiations, as we have heard, upon the principle of refining in bond?—Yes.

758. A further conference was ultimately held, I believe?—Yes; at which it was distinctly understood that the whole question should be open for discussion.

759. But I believe that at that conference the French delegates strongly supported a system of saccharimetry as opposed to refining in bond?—They did; they pressed it in every possible way; they produced a report from the official chemists in favour of saccharimetry.

760. It might be interesting for us to know exactly what is this system of saccharimetry?—I think I can explain it to the Committee. The raw sugar contains crystallisable sugar, uncrystallisable sugar, mineral salts, that is to say, bases combined with mineral acids, and also organic salts, that is to say, bases combined with organic acids; and other organic substances of a more complex character.

Mr. Bell.

761. The salts being organic and inorganic?—Yes. The French system of saccharimetry consists in determining the quantity of crystallisable sugar, and the quantity of uncrystallisable sugar, and then getting a rough estimate of the quantity of salts contained in the sugar, by means of burning the sugar. Of course, that only gives the salts in the form of sulphates. The sugar is mixed with a certain quantity of sulphuric acid, and is then burnt in a muffle; then they take the amount of salts so obtained and multiply it by five, and deduct it from the quantity of crystallisable sugar.

762. What is the meaning of that?—Because they say that the salts contained in sugar affect the crystallisation in such a proportion that every one part of salt prevents five parts of sugar from crystallising.

763. That is a very arbitrary mode of dealing with it, is it not?—The arbitrary nature of that arrangement was fully pointed out at the con-

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ferences of 1876. It was shown that the French official chemists, in their report, had themselves condemned the system. They had quoted the evidence of other eminent chemists, which went to show that the influence of salts in sugar was not of that character; that some salts even assisted the crystallisation; that many salts were quite neutral, and had no effect upon the crystallisation; and that, therefore, it was quite incorrect to take the total quantity of salts, and to deduct five times their weight from the crystallisable sugar. Then, with regard to the uncrystallisable sugar, they took the quantity of uncrystallisable sugar and multiplied it by two, and deducted it.

764. On the ground that it prevents twice its weight of crystallisable sugar from assuming the form of crystals?—Yes, quite so; and there again the arguments which they brought forward in their report tended to disprove this conclusion. They gave the results of various experiments with uncrystallisable sugar and crystallisable sugar, which, instead of showing that the uncrystallisable sugar prevents twice its weight of crystallisable sugar from crystallising, showed exactly the reverse. Therefore the system was condemned on those two grounds.

765. Condemned by whom?—Condemned by the Dutch delegates and by the English delegates.

766. But it was adhered to by the French Government?—Quite so.

Chairman.

767. Was it not also condemned by the Belgian Government?—I think the Belgian Government has, on many occasions, condemned the system of saccharimetry.

Mr. Bell.

768. That is to say, it has not condemned saccharimetry altogether, but it has condemned that kind of saccharimetry?—Yes.

Chairman.

769. Will you turn to page 34 of Parliamentary Paper, Commercial, No. 13, 1876, and read the paragraph at the bottom of the page?—This is a letter from Mr. Lumley to the Earl of Derby, dated Brussels, 26th April 1876, and the fourth paragraph is as follows: "But in the first place, as your Lordship is aware, from my despatch of the 23rd instant, Baron Baude has deferred communicating officially M. Léon Say's letter, and has only informed Monsieur Malou verbally of the nature of that document; and in the second place, in the opinion of the Belgian Government, the system of saccharimetry would be utterly inefficient for the desired purpose. This was frankly acknowledged at the Brussels Conference, and the system has since been condemned by competent authorities in France, as offering great facilities for fraud and as calculated to be exceedingly onerous to the sugar manufacturers. In proof of this, Monsieur Malou read me an extract from a French periodical, called "La Sucrerie Indigène," which is the organ of the sugar interests in France, of the 20th April, copy of which I have the honour to enclose, in which saccharimetry is spoken of as a system which before it had been practised a month was at once judged and condemned, the analysis given by it differing as much as three degrees, while the manufacturer

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manufacturer has to wait sometimes a fortnight before he could obtain the classification of his sugar. The real object of this proposition of the French Government, Monsieur Malou said, appears to be to evade the necessity for establishing Excise supervision in France."

770. Do you understand that condemnation of the principle of saccharimetry to be with reference to that proposed at the Conference, or generally as to the evils which are attendant upon any system of saccharimetry?—He speaks of fraud; I think all the reasons that he gives, in fact, are reasons against any system of saccharimetry.

771. He says, "The analyses given by it differ as much as three degrees"?—That would occur in any system, I think.

Mr. Bell.

772. What is the meaning of three degrees?—Three per cent. Of course these differences arise from the samples not being uniform.

Chairman.

773. Our delegates at that Conference, I think, also made a short report upon the system of saccharimetry, did they not?—Yes.

774. I think that is to be found on page 8 of Parliamentary, Paper Commercial, No. 18, 1876?—Yes; Mr. Walpole and Mr. Le Feuvre say, in their report, "We regret, however, to state that the French system, in our opinion, presents serious defects, and that it would not have the effect of placing the duties in correlation to the real yields of sugars in the refineries, and that, therefore, it is not calculated to suppress bounties."

775. Then farther on they say: "At the Conference of the 26th instant the chemists were introduced, but they were unable in our opinion, after a protracted discussion, in any way to meet the difficulties pointed out by us. We need not trouble your Lordships with the details of the discussion, which will be fully reported in the minutes. It may be sufficient to state here that our objections were mainly based upon the fact that the system was not founded upon a sound basis, and that the arguments used in the body of the report were refuted by the results shewn in the tables of experiments annexed thereto"?—Yes. I may also mention that Mr. Le Feuvre, who was one of the British delegates at this Conference, called attention to the fact that the results arrived at by the French system of saccharimetry differed very materially from the results arrived at by the actual experiments in Cologne. Mr. Le Feuvre had been the gentleman deputed by Her Majesty's Government to watch these experiments on the part of the British Government at Cologne, and, therefore, he was fully conversant with the technical details of the subject; and he pointed out, in a report which was put in at the Conferences in 1876, that the French system was defective on that ground.

776. What was the result of the Conference?—I think the most important result of the Conference was a complete condemnation of the French system of saccharimetry. The actual results were that they agreed to render an account of the situation, and to meet again on the 5th of December.

777. What happened when the result of this Conference was known?—There was a very strong agitation in France in favour of carrying out the intentions of the National Assembly, as

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expressed in their law of March 1874, and a very important inquiry was set on foot, which was called the *Réunion extra-Parlementaire*; it was an extra-official inquiry set on foot by about a hundred members of the Assembly, who took evidence on the question, and eventually submitted a note to the French Minister of Commerce. I have the minutes of that inquiry, and I have the text of the note; but I can give the Committee the substance of it without reading the whole text. This *Réunion extra-Parlementaire* desired that the delegates who should represent France at the next Conference should be governed by the decision of the National Assembly which had voted *exercice* (Excise supervision); that they should take that as the basis of a treaty and not saccharimetry, and that they should accept equivalents, and especially suppression of the duty; because I should mention that they had declined at this Conference of 1876 to accept from Holland the suppression of the duty as a sufficient equivalent for the suppression of bounty in the other countries, although, of course, suppression of duty is the very fullest suppression of bounty that could possibly be offered. They also urged, in this note which they presented, that an agreement should be come to amongst the four Powers first, and that steps should be taken afterwards in dealing with the other Powers, because the French Government had raised difficulties upon that point, and had said that they could not come to any agreement unless other Powers were also brought in.

778. This matter was brought before the Assembly, was it not?—The note, of which I have just read a *résumé*, was presented to the Minister of Commerce on the 4th of December 1876, and the matter was brought before the Assembly a little earlier than that day by Monsieur des Rotours in the Chamber of Deputies, and by Monsieur Paris in the Senate; and the same points were urged by that deputy and that senator, as I have just stated were the points drawn up at this extra Parliamentary inquiry.

779. The result of all that was to show that it was still desired that the law which had been passed by the National Assembly for refining in bond should be adhered to and carried out in any further conferences that were summoned?—That was the drift of the agitation.

Mr. Stewart.

780. Of how many deputies did that committee consist?—Of about 100.

Chairman.

781. So that that further action was only confirming the previous action taken by the Assembly?—Quite so.

Mr. Bell.

782. Would the process which you have described give you a correct idea of the quantity of crystallisable sugar that you could obtain from the raw sugar; because, as I have always read, the presence of these foreign bodies does to some extent, at all events, interfere with the crystallisation of the crystallisable portions of the sugar?—The quantity of crystallisable sugar contained in the raw sugar is easily determined. The difficulty is to determine the quantity of crystallisable sugar which will be obtained from that raw sugar.

783. And,

Mr. Bell—continued.

783. And, therefore, no system of scientific saccharimetry would really determine the quantity of crystallisable sugar that you could, in practice, get from the raw sugar?—I do not think that any system would determine it very accurately.

784. And, therefore, one can understand why a Government might be opposed to applying a system which after all could only give incorrect results?—Yes, I think so.

Chairman.

785. Did the Conference reassemble?—They were to have reassembled in December, but they did not reassemble until March.

786. What was the nature of their discussion?—It was a very long and complicated discussion, and it lasted five weeks. The principal subject of discussion was the system of refining in bond to be adopted by France and Holland. Holland had, at the Conference of 1876, strongly urged refining in bond, and it had urged a system of refining in bond which should be perfectly effectual, which should not interfere more than was necessary with the manufacturing operations, and which should be a pure and simple system of duty on consumption, by avoiding any assessment of duty on the raw sugar as it entered the refinery; because I explained on a former occasion, that the whole virtue of refining in bond was to avoid the return of drawback on exportation.

787. What was the result of that Conference?—The result was, that a Convention was entered into almost exactly similar to the Convention of 1875; but the result of the long discussion which took place was, that France gave up, to a certain extent, that objectionable proposal to have a preliminary duty on raw sugar which they had made in 1875; and, after a very long argument on the subject, France was induced to make this modification, that, instead of assessing a preliminary minimum duty on the whole of the raw sugar entering the refinery, they were only to assess it on the quantity which was destined for home consumption.

788. This protocol which was agreed to was really the system proposed by Holland at the Conference, was it not?—Certainly; Holland was the great advocate, at that Conference, of refining in bond.

789. Belgium, I think, again under this protocol, would occupy a somewhat different position from that of either France or Holland?—Belgium occupied the same exceptional position that she did in 1875.

790. But, with this difference, I believe, that Belgium became bound to reduce her duties, did she not?—She became bound to reduce her duties by one-half. That was the only way in which she could induce the other countries to adopt her proposal, that she should remain in an exceptional position.

791. I think we have already heard that the exports from Belgium were very small; and, even supposing that, by the system which she was to adopt, there was still some bounty, looking to the fact that her exports were small, and also to the fact that her system was a system which was more for the benefit of the home consumer than for the benefit of the export trade, and also looking to the fact that she was bound to reduce her duty by one-half, under no possible circum-

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stances could the Belgian bounty amount to much?—That was the object of reducing the duty; to reduce the possibility of the bounty.

792. I think Holland, France, and England, under those circumstances, agreed that Belgium should occupy this somewhat exceptional position?—Yes. When I said that the exports from Belgium were small, I spoke of refined sugars. There were two Articles which I should like to refer to, because they arise afterwards in the discussions with the Dutch Government. They are Article VIII., which stipulated that if the system of Excise supervision should be shown to be injurious to the manufacturer, he should be entitled to compensation; and Article IX., which stipulated that the contracting Powers may come to an understanding as to the measures of defence which might be taken in the event of bounties being given in other countries.

793. You mentioned, in one of your answers, that one portion of the proposals agreed to was some modification of refining in bond, by which the sugar refiner would not be materially impeded in his manufacture?—That was the Dutch proposal.

794. That view of yours, I think, is confirmed by a despatch from Messrs. Walpole and Le Feuvre to the Earl of Derby, dated 17th March 1877, which is at page 1 of Parliamentary Paper, Commercial, No. 20, 1878, in which they say, "Article III. defines the systems of supervision to be adopted in France and Holland. In neither country will the refiner be subjected to any interference on the part of the administration in the interior of the refineries." That is so, is it not?—That is so.

795. And it was on the argument that such interference tended to put the refiner to additional expense, that refining in bond was objected to, not only on the Continent, but also in our own country, at one time?—Quite so.

796. It appears, by the arrangements made at that Conference, that that objection no longer exists?—The fact is that during all these discussions it had been proved that refining in bond could be thoroughly carried out without any injury to the manufacturer; and, in fact, those 500 manufacturers in France have come forward and stated that in their evidence. Therefore, whatever statements were made before the Parliamentary Committee here in 1862, so far lose any interest that they may have.

797. But I want to bring out this fact, that this system of refining in bond was not precisely the same system of refining in bond which had been proposed at the previous Conferences; it was a modified system of refining in bond, was it not?—I think, at both the Conferences, the Dutch had urged that there was no necessity to have any complicated system of interference. The fact is, that the Dutch have always tried to make refining in bond as easy as possible; and the French have always tried to make it as difficult as possible. At this conference the French were still at liberty to have their own system, if they preferred a complicated system; but it was urged that the complicated system and the preliminary charge for duty were unnecessary.

798. I believe that, notwithstanding this Convention which was agreed to at the Conference was the proposal of the Dutch delegates themselves, after consultation with the Dutch Government, the Dutch Government were the first to raise

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objections

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objections to the draft Convention being agreed upon?—Yes.

799. Can you tell the Committee what was the difficulty raised by the Dutch Government?—The Dutch objections were made, I think, on the 3rd of April. They objected to the definition of the system of refining in bond contained in Article III., because it did not make it perfectly clear to their minds exactly how France was going to carry out the system, and they wanted some simple explanation from France of how the system was to be carried out. Then they thought that Belgium had not offered sufficient equivalents; and then they objected to those two Articles to which I have just referred, Article VIII. and Article IX.

800. What steps were taken to remove the difficulties?—Mr. Walpole was sent to Brussels and the Hague to see if those difficulties could be got rid of.

801. Mr. Walpole, I believe, was our delegate at this Conference?—He was our delegate at this Conference, and at the preceding one.

802. Did he succeed in removing the difficulties?—He went first to Brussels, and obtained complete concessions from the Belgian Government on the points raised by Holland; and, with those concessions he went on to the Hague, and he obtained the withdrawal of the objections to Article VIII. and Article IX., and the withdrawal of all objections to Article III., except the desire for a simple verbal alteration which would not in any way substantially affect the terms of the Convention.

803. Then, substantially, he succeeded in removing the difficulties?—Yes.

804. Were those facts communicated to France?—I think not immediately. It was understood that the Dutch Government were to communicate their wishes with regard to the verbal alteration in Article III. to the French Government.

805. But, as a matter of fact, notwithstanding the exertions of Mr. Walpole, after he returned to England, difficulties were again raised, were they not?—Yes, the Dutch Government, in formulating their desire with regard to the verbal alteration in Article III., added a fresh proposal which had not been made to Mr. Walpole when he was at the Hague.

806. To what effect?—They wished to introduce a fresh article into the Convention, called "Article VI. *bis*," which should stipulate that if any country chose to conform to the arrangements to be adopted by Belgium, they should be placed under the same exceptional terms.

807. A good deal of negotiation took place, I believe, between Holland, France, and England, to remove those difficulties?—Of course that additional article was objected to, on the ground that it was a matter which had not been discussed at the Conferences, and that it was a matter which had not been brought before Mr. Walpole when he was at the Hague; and that, therefore, if it was to be brought forward, it should form the subject of fresh international discussions. Eventually Sir E. Harris was assured that the proposal with regard to that fresh article would be withdrawn, if France would consent to the very simple alteration of Article III. which had been proposed.

808. Was this communicated to France?—We presume that the Dutch Government communi-

Chairman—continued.

cated that proposal for the verbal alteration in Article III. to France, but it was not known for some time what France had said. At last, however, it was ascertained, through the Belgian Government, that France had objected to the verbal alteration, on the ground that it would preclude them from levying the preliminary minimum duty on the raw sugar, on which they had so strongly insisted at the Conferences of 1876 and 1877. I should mention, in order to make this point perfectly clear, because it is a very important point in respect to the present position of the question, that Holland, when they received that reply from France, immediately explained that the objection raised by France was a misunderstanding; and that their desire, with regard to Article III., far from being for any alteration which would involve the giving up of the preliminary duty which France wished to levy on the raw sugar, actually restored Article III. to the wording of the article in the previous Convention of 1875; so that it gives France a fuller power to levy a preliminary duty than it obtained in the Convention of 1876.

809. Did our Government point out to France that the difference arose from a pure misunderstanding?—No, we presume that the Dutch Government pointed that out, because Count Bylandt, on the 31st of August, explained to Her Majesty's Government that the French Government was labouring under a misunderstanding. He explained that very fully, and, therefore, we presume that he explained it to the French Government at the same time.

810. Of course your object in giving this information is to show how very little difference there was at the time, and how very near the whole thing was to coming to a satisfactory conclusion?—Quite so.

811. And that, ultimately, the Convention fell through entirely owing to a misunderstanding?—Entirely owing to a misunderstanding.

812. Then I believe there was a change of Ministry in France and in Holland, which prevented any further action being taken in the matter?—There was a change of Ministry in Holland in November, I think.

813. Was the new Ministry informed of the misunderstanding which had arisen?—No.

814. Was no communication made to the new Ministry upon the subject?—The new Ministry were asked their views upon the subject.

Mr. Orr Ewing.

815. By whom?—By our Minister at the Hague.

Chairman.

816. I suppose that inquiry was repeated more than once?—Yes, and the reply always was that they had received no reply from France to their despatch of August, the despatch in which the explanation of the misunderstanding was made.

817. How long did the Dutch Ministry wait for the reply from France, which should have cleared up this misunderstanding?—I think it was five months. They constantly explained that they had received no reply from France, and that, if the matter was to go on, some action should be taken in Paris in order to set the negotiations on foot again.

818. What

Chairman—continued.

818. What did the Dutch Government do in March 1878?—In March 1878 they addressed a memorandum on the subject to the other Powers, in which they stated that they had now made up minds on the question, and they gave as the reason for having made up their minds then, that they had not had any communication from the French Government.

819. Was that the last of the negotiations which took place upon the old Convention?—No, in this memorandum the Dutch Government refused to go on with the negotiation.

820. Notwithstanding the fact that the Convention was a Convention actually proposed by themselves at the Conference?—Yes. They gave various reasons which were in entire contradiction to all the action of the previous Government during the previous two years.

821. Was this action of the Dutch Government accepted by this country?—No, there was a very strong remonstrance addressed to them. I should like to read an extract from it.

822. What was the date of it?—The 5th of June 1878.

Mr. Alexander Brown.

823. In what Parliamentary Paper is that contained?—In Parliamentary Paper, Commercial, No. 20, 1878. Lord Salisbury writes as follows: "I must state that Her Majesty's Government viewed this announcement with much regret" (that is the announcement to which I have referred), "and that they are unable to consider that the course which has now been taken by the Netherlands Government is in conformity with the merits of the case, or with the expectations which the other Governments, parties to these negotiations, fairly entertained."

As regards the second and third points I would observe that the circumstances of the case weaken the force attributed to these arguments in the memorandum. It is to be remembered that the Conference held at Paris in 1877 suspended its sittings in order to enable the Netherlands delegates to consult their Government, and to receive their instructions with respect to the report about to be made by the delegates of the four Powers. The case was thus fully placed before the Netherlands Government before the draught of Convention was adopted by the delegates, and, in this state of things it was to have been expected that the Netherlands Government would have brought the Convention before their Legislature, and would have used their influence to obtain the necessary sanction to an engagement agreed to after due consideration on their behalf."

824. And our Minister at the Hague was instructed to support that remonstrance?—Yes, Mr. Stuart received a further instruction on the 18th of June, "to point out more particularly that the system to which exception is taken as being imperfect with respect to Excise supervision is the system pressed upon the Conference at Paris in 1877 by the Netherlands delegates."

825. Did France take any action in the matter after this resolution of the Dutch Government?—Lord Lyons was requested to ask the French Government to co-operate with the British Government in making these representations to Holland, but he failed to receive any reply; he was merely told that the matter would be taken

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into consideration. He made two or three applications in the matter and then it was dropped, and no further action was taken.

826. What was the nature of the reply of the Dutch Government to Lord Salisbury's protest?—On the 10th of July the Dutch Government made an elaborate reply. They maintained that the delegates at the Conferences, whatever they may have said, had no power to enter into a definite arrangement.

827. Notwithstanding the fact that the conference separated in 1876 for the express purpose of enabling the delegates to consult with their Governments?—One of the Dutch delegates left the Conference and went to the Hague, and came back again with fresh instructions.

828. But the Conference of 1876 was adjourned for the purpose of enabling the delegates to consult their Governments, was it not?—It was adjourned for that purpose.

829. And not only was that done between the two Conferences, but also one of the Dutch delegates, in 1877, whilst the Conference was sitting, went to the Hague to consult with his Government?—Yes.

830. And Holland now came forward and said that the Dutch delegates had no power to enter into that Convention; was that so?—That was so.

Mr. Bourke.

831. There had been a change in the Government of the Netherlands in the meantime, had there not?—There had.

832. And the Government that came to the later conclusion did not agree with the delegates who were sent by the former Government; was not that so?—The new Government supported the action which it took, upon the ground that certain authorities in Holland had come to the conclusion that the system which had been urged so strenuously for two years by Holland at these international Conferences was not a satisfactory system; it is very difficult to understand how that can be supported, because the gentleman who drew up the system at the Conferences, Mr. Toe Water, is, I believe, the main authority on the subject of the sugar duties in Holland.

Chairman.

833. Mr. Toe Water is a permanent official, is he not?—He is a permanent inspector of the Customs.

834. He did not change with the Government?—No; he made this proposal in 1866, and therefore the authorities at home, if there were other authorities at home, had plenty of time to make up their minds, as you have just pointed out in one of your questions, as to whether this is a satisfactory system or not, because those authorities to whom the new Dutch Government referred did not change with the Ministry.

835. But the Ministry may have changed their minds?—No doubt; there is a point with reference to that that I should like to call the attention of the Committee to, because the vote of the Dutch Chamber on the 7th of April 1876, desiring the Government to take up the Convention of 1875 again, was supported by the party who are now in power, and I should like to quote a few words in the debate which took place on the 7th of April 1876; in that debate the present Prime Minister of Holland supported Mr. Insinger's motion, which was a motion desiring

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the Dutch Government to resume negotiations on the basis of the Convention of 1875, which Convention contains this very system of refining in bond, which the Dutch Government now condemn. The present Prime Minister of Holland, I am told, was then the leader of the opposition, and he supported Mr. Insinger's motion very strongly, and in so doing he used the following words: "It is important to do away with every notion among foreign Powers that our object is to obtain protection. The motion" (that is to say, Mr. Insinger's motion desiring the Government to take up the Convention for refining in bond) "will be an aid to the Government in their maintaining free trade principles in carrying on fresh negotiations."

Mr. Orr Ewing.

836. Have you the exact words of that motion?—It is at page 16 of Parliamentary Paper, Commercial, No. 13, 1876.

Chairman.

837. Can you refer us to anything which will show the reason why Holland rejected the previous Convention of 1875?—You will find that at page 19 of the same Blue Book, where Mr. Lumley gives a conversation which he had had with Monsieur Malou, and Monsieur Malou told him that he had informed Baron Gericke "that, in his opinion, the Netherlands Government had finished where they ought to have begun; it was evident that a misapprehension as to the nature of the Sugar Convention of the 11th of August last had existed in the Netherlands throughout, for it was clear the Dutch Government had been perfectly at liberty to have substituted the reduction or the abolition of the Excise duty on sugar for the Excise supervision adopted by it in the Convention." (That indicates that they threw it out, because they thought they were not at liberty to make the substitution.) "The rejection of the Convention by the second Chamber of the States General it appeared was now looked upon as a mistake in the Netherlands; the adoption by the Government and by the Chamber of Mr. Insinger's motion was a proof that they were desirous of remedying this error." So that that shows that Monsieur Malou thought that they had fallen into an error.

838. I think we have, in this book, the discussion in the Dutch Chambers?—I had the discussion read to me at the time by a Dutch friend, because I cannot read Dutch myself; and I have no recollection of any reason being adduced in that debate, except the reason that they would be precluded from abolishing the duty if they desired to do so; because at that time there was a motion before the Dutch Chamber for abolishing the duty, and therefore they had that very fully in their minds.

839. However, as a matter of fact, within a month after that motion was passed, another motion, the terms of which you have read to-day, was passed?—Yes; and the remarks which I have now quoted from that debate show that the present Dutch Government supported that motion, and therefore, by supporting that motion, they indicated that they adopted and recognised the system proposed by Holland for refining in bond as a satisfactory system; and there had been two years during which the authorities in

Chairman—continued.

Holland had an opportunity of examining that system.

840. Is it your opinion, and the opinion of the trade, that that Convention of 1877 might possibly meet with success, and might still possibly be carried out, if negotiations were renewed upon that basis?—I have endeavoured to show that that is my opinion by the evidence which I have given. It appears to me that the whole thing fell through on a misunderstanding; and, although it is perfectly true that the Dutch Government have now raised practical objections, we consider that those objections are really answered by the facts as to what has already taken place.

841. And you have urged that, of course, upon the attention of the Government?—Yes. The third objection which the Dutch Government stated in their second memorandum, which I was going through just now, and which I have not yet read, supported me in that view. They say in their second memorandum: "If the Cabinet of London had been pleased to support with its influential recommendation the more explicit wording of Article III. submitted to France, there might have been established the commencement of an understanding which, to a certain extent, might have been considered as binding the present Government." Therefore, if we can clear up this misunderstanding with France, there appears to be still every hope that the Convention of 1877 might be set on foot again.

842. And you think that this is the best course that could be adopted at present?—That is what we stated in our deputation to Lord Salisbury, and what we have also stated in this memorial of the 21st of April 1879.

843. The sugar refiners of this country would be perfectly satisfied if the Convention of 1877 were carried out?—Yes.

844. But that, I imagine, would not satisfy the growers of sugar in the West Indies, would it?—That is coming to another question about the bounties in other countries.

845. Whilst the refiners would be satisfied with that, it would not meet the case of the West Indian sugar growers?—No; but I consider that a Convention between the four Powers would be of great assistance in dealing with the other Powers.

846. Then, in your opinion, it would be necessary to introduce some clause, if the Convention were agreed to, directed against countries who still continued to pay bounties?—Yes; there is Clause 9.

847. But that clause is not by any means binding, is it?—It is in the subjunctive mood.

848. Do you consider that that would be sufficiently strong to meet the case of the bounties upon the export of raw sugar?—No.

849. Then you think that to meet that, there ought to be a stronger clause inserted?—When I said that the Convention would assist towards bringing the other countries in, I merely meant that the fact of there being a Convention existing for the suppression of bounties would, I think, tend to the suppression of bounties in the other countries.

850. If that Convention were carried out, and, instead of Clause 9, a clause were agreed to which bound the signatories of that Convention to put duties upon sugar-growing countries that still continue to pay bounties, do you think that would

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would be a satisfactory solution of the question?—That would be a solution of the entire question, no doubt.

Mr. Courtney.

851. But you do not want to hamper your case by making that an essential part of the Convention, do you?—When I spoke about Austria, I wanted to point out that Austria is part of my case, although I have confined myself to the four Powers at present, because the negotiations have been entirely directed to the signatories of that Convention of 1864.

852. But that is a very different point; the question that the Chairman put to you was whether this Convention of 1877 is quite satisfactory so far as the refiners are concerned?—No, because Austria exports refined sugar. I am coming to that.

Chairman.

853. Then any Convention, to be satisfactory to the refiners, must embrace all countries from which refined sugar is exported or could be exported?—I think, in order to give us perfect security as to the future as well as to the present, it should. Of course, at present, we are suffering mainly from the competition of French and Dutch refined sugars; but we see looming in the future other countries.

854. If this Convention had been agreed to, and supposing that France and Holland, who are your greatest competitors now, were to be bound to refine in bond, would not that give an impetus to countries outside the Convention which still continue to pay bounties?—No, I think it would draw public opinion more to the question of export bounties, and tend to bring about reform in the other countries.

855. Surely if any country considers its interest, in order to obtain possession of any particular market or markets, to encourage the trade by giving a bounty on refining, and if those countries from which you now suffer were restricted from giving bounties, it would serve as an inducement to other countries who were not bound by that Convention to encourage the system of bounties?—Undoubtedly it would, from that point of view.

856. So that, although you are now suffering from French and Dutch competition; yet no Convention would be a satisfactory solution of the question which did not embrace all countries where sugar is manufactured, or where sugar is likely to be manufactured?—Undoubtedly, and we do suffer indirectly from Austria, because Austria is supplanting the French and Dutch in other markets.

857. Therefore I gather that it would hardly be a solution of the question to take up simply this Convention of 1877, and to endeavour to carry it through with France, Holland, and Belgium; but if you desire to make the solution a satisfactory one, it would be necessary to open up negotiations with all other sugar-producing countries, with a view of getting them to come under the same agreement as France and Holland?—Looking at it from a broad point of view it would; but looking at it from the point of view of the terrible injury that we are suffering from, and have been suffering from for years, as is shown by the stopping of 26 sugar houses in London, of course the cessation of the French and Dutch bounties would be an immense relief.

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857*. It would remedy the existing state of things at the present moment, but it would give you no security for the future?—It would give us no security for the future.

Mr. Orr Ewing.

858. Do you not think it would be a wise thing to have as few nations to deal with as possible, in taking the initiative, at all events?—That I confess has been my view; but then I may be taking a selfish view, because, of course, I am suffering most grievously from the French competition at the present moment, and therefore I naturally wish the French competition to be stopped.

859. If this country makes a Convention satisfactory to the sugar refiners of this country it would not be difficult, would it, to induce any other nation to come under that same agreement, if they do not make sugar and export it?—As I have already stated, we see other nations looming in the future as sugar-producing countries; and I think I may go even farther than that, because the Americans have adopted a system of assessment of sugar which is exactly similar to that very injurious system which the French had before their modified law, and which is properly an assessment by colour; and an enormous quantity of artificially or unnaturally coloured sugar is being used in America, and a very large bounty is being obtained, which is beginning most seriously to injure the British refiners in this market.

Chairman.

860. I take it that, from the honourable Member's point of view, this would be a satisfactory solution of the question; that a Convention might be arrived at on the basis of 1877, between France, Holland, Belgium, and England, who are the great refined sugar-producing countries; but that a clause must be inserted in that Convention, compelling those Powers, signatories to the Convention, to put a surtax upon sugar coming from any country where there was a bounty?—That would be a complete solution of the whole question, provided that the Convention of 1877 were carried out properly, and provided that experience proved that the terms of that Convention did really abolish bounties in the four countries. I must always put that proviso in; we are assuming that the Convention answers its purpose.

861. But it establishes refining in bond, does it not?—Yes.

862. And you say that refining in bond is the way to abolish bounties?—I wish to point out that, as I have already said several times, it does not in France establish "*impôt à la consommation*," which is what we have always wanted.

863. But the French would levy no duty upon sugar which was entered for exportation?—That was the arrangement.

864. And therefore there would be no return of duty when the sugar was exported, that is to say, no drawback?—Quite so, if that was the arrangement; I am obliged to guard myself, because we have been deceived so often.

865. You have spoken about the other countries; can you give us the nature of the bounties in Austria, for instance?—I will try and explain again the mode in which the bounty is obtained in Austria. I explained that there are

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three or four different ways of assessing the duty in the various countries; one on the raw sugar, one on the density of the juice, one on the weight capacity of the ap-
e least satisfactory the duty, namely, us; that is to say, to be capable of y of roots in the s the duty on the that basis. The acturers, of course, not to the manu- e manufacture of shall get a much gh their apparatus estimated to do by

xtent of the Aus- to the extent of the a very important ished by Monsieur f the Central Com- ur Manufacturers, re quite recent, in t calculates the ty very carefully, ould allow me, to use of the Com- on of the Austrian atter, and I could tail *viâ voce* (the egard to the extent ery important fact the minds of the This fact I find is a letter addressed f July 1877, which the Parliamentary 878. At that time hat Austria should ngement that was at that time rais- difficulties, that if gement they would tion of Austria, as t. Therefore this Majesty's Govern- , of obtaining the lled Lord Derby's hile the gross re- Austria-Hungary -76) to 9,337,435 rawback on export , so that instead of e from sugar, there 135,556 gulden."

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Austria was paying : was receiving in lege of having a ,000 gulden.
strian Government, of things existed, y could secure at duty?—The Aus- several alterations bounty, and those m of increasing the ratus. Of course, e system of ascer- ty of the apparatus, lo was to increase

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their estimate; therefore they have, on several occasions, increased the estimated capacity of the apparatus.

869. Can you tell us what Monsieur Jacquemart estimated as the gross amount of the Austrian bounty under the old *régime*?—I would rather not go into the details of the question, because I know that the Austrian bounty will be brought forward much more fully by other witnesses.

870. By the new arrangement of the Austrian Government the bounty, of course, must have been materially reduced?—I was going on to say that they took several steps to increase the estimation of the quantity of sugar turned out in the beetroot sugar factories in Austria; but as quickly as they increased the estimate, so quickly, and still more quickly, did the Austrian manu- facturers improve their system of manufacture, or put up machinery more adapted for getting through a large quantity in a specified time, so that the bounty continued to be as large as before, and even larger. The result was that, at last, the Austrian Government were obliged to take another course; they were obliged to enact that, in any case, a minimum amount of duty should be paid by the manufacturers; they adopted, in fact, the same system as is in force in Belgium. The manufacturers are now expected to pay a certain fixed sum yearly as duty on sugar.

871. Have the Austrian Government contemplated any further change in the whole system?—They have made no other changes than those; but I think it is an important point to mention, that the Finance Minister, I believe, in one of the discussions on the subject in the Austrian Parliament, stated that it was necessary still to go on for two years longer with the system, to see how it would work with those modifications, and that if it was not found to answer, they would then consider the adoption of the system of charging the duty on the finished product, instead of on an estimate of this kind. I wish to mention that point, in order to show that there is considerable hope that the Austrian Govern- ment may be still induced to come into an arrangement by which the duty shall be assessed on the finished sugar.

872. Of course, you believe that the bounty still exists to a large extent in Austria?—Monsieur Jacquemart, in that book, gives his estimate of what the bounty amounts to now that there is a minimum. With regard to that point, I should like to quote the statement of a gentle- man who addressed, apparently, a letter to the "Sucrerie Indigène" from Austria, and who is described as a director of some important sugar manufactories in that country. In that letter, amongst other things, he says: "In truth we cannot live without this bounty." I mention that, in order to show that the production of sugar has been unnaturally stimulated in Austria, and that they are now living, not on the manu- facture of sugar, but on the bounty which is obtained from it.

873-4. It is evidently entirely an artificial industry?—Not entirely, but so far it is an artificial industry.

875. Then the French export bounty, in your opinion, is considerably less than the Austrian export bounty?—I have no opinion about the amount of the export bounty in Austria, because I have never gone into the matter fully. My whole

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whole time and thoughts have been devoted to the question of France and Holland, and therefore I do not wish to make myself responsible for any calculation as to the amount of the Austrian bounty.

876. Is it your opinion that if a Convention were agreed to similar to that of 1877, between France, Belgium, Holland, and England, although Austria did not at the same time enter into the Convention, yet the fact of the Convention being agreed to for refining in bond and abolishing the bounty in the countries that I have named, would also have the effect of inducing Austria to abolish her bounties?—That certainly was my opinion at one time; it was also the opinion of those who at the time of the extra Parliamentary Reunion in France urged upon the French Government that an agreement should be come to between the four Powers first, and that the others should be brought in afterwards.

Mr. Courtney.

877. But the question is this: supposing that you established, between those four Powers, a perfect system of refining in bond, so that there could be no question whatever of bounty as between them, would that strengthen or would it weaken the attachment to the bounty system in Austria?—From one point of view it would strengthen it, and from another point of view it would weaken it.

878. What is the balance of opinion?—It is very difficult to say.

Chairman.

879. Supposing that the negotiations were to fail, have you any other remedy which you could propose by which foreign countries could be induced to come to terms to abolish bounties; do you believe that the only other mode to adopt would be a countervailing duty against countries who gave bounties on sugar?—Undoubtedly; I think the mere suggestion of such a course would immediately obtain the consent of all the bounty giving countries to some arrangement.

880. I suppose that you, as a sugar refiner, and speaking for sugar refiners, are able to say that, so far as the countervailing duty is concerned, you would infinitely rather be without it; you have no desire, as a sugar manufacturer, to have a countervailing duty except that you believe that putting on a countervailing duty would have the effect of establishing refining in bond, and so abolishing the bounty?—I have no desire whatever for a countervailing duty; I should be very sorry to see it put on.

881. But you believe that, unless a remedy is found by other means, that is the only means which will bring foreign countries to adopt a system which will abolish bounties?—I believe that it would be a certain means.

882. And do you believe that, although a countervailing duty might have to be threatened, it would never have to be imposed?—Certainly.

Mr. Bell.

883. Do you think that the mere suggestion of a countervailing duty would frighten them?—I think that if they felt certain that the principle of the countervailing duty were admitted to be a sound principle in this country, and that this country were determined to levy a countervailing duty if they did not come to an agreement, they would certainly come to an agreement.

Q 104.

Chairman.

884. If an international agreement were arrived at between certain of those countries, and one of the clauses of that agreement was that any of those countries, signatories to that agreement, was bound to put on a countervailing duty, in case the sugar came from countries where there was a bounty, you believe that it would never have to be imposed, because the other countries who had not come under that agreement would at once take steps to abolish the bounty?—Certainly.

885. Therefore, although the word "threat" was used, it would only, under the arrangement which I propose, have to come into force where sugar-growing countries still maintained a bounty?—Yes.

886. And they, knowing that, in your opinion, would abolish the bounty?—Yes.

887. I believe that we shall have evidence to this effect, but, is it within your knowledge that recently some agreement has been arrived at between the French refiners and the French sugar growers by which they are both willing to come under refining in bond if some such stipulation as that which I have mentioned were a part of any agreement which was arrived at?—Yes.

888. And you know that witnesses are prepared to come here and give evidence to that effect?—Yes.

888*. The French refiners having hitherto, as refiners, been opposed to refining in bond?—Yes.

889. I suppose you do not think, as a free trader, that a duty which simply had the effect of countervailing a bounty, would be opposed to the principles of free trade?—No, I do not; I think that it would carry out those principles, because it would restore matters to the state in which they were when there was no bounty.

890. If the duty were exactly equivalent to the bounty, France would be in as good a position to send sugar over here and sell it; she would be untrammelled, in fact, in sending sugar here to compete with our own refiners?—Yes, matters would be in exactly the same position as if there were no duty, with no bounty.

Mr. Bell.

891. But, as a free trader, if you introduced that system it would be rather difficult, would it not, to point out the limit at which you would stop?—I should stop at the limit of the export bounty.

892. That is on sugar?—If there were any other article on which bounty were paid by foreign countries, it would come under the same treatment as sugar.

Chairman.

893. As far as you know, there is no industry in this country that suffers in the same way as sugar does?—I am not aware of any; Mr. Fawcett, in his book, refers to sugar as the only industry which he can quote as an example.

894. You are not aware of any manufactured article which is imported into this country with a bounty, except sugar?—I am not aware of any, but I do not say that there are none.

Mr. Eugene Collins.

895. Would there not be a great difficulty in assessing what the real bounty was?—No, I think that my statements go to prove that it would be somewhat easy.

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896. But

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896. But is it not a very debatable subject what the bounty really amounts to?—I have given figures as to that.

Chairman.

897. You believe that if this bounty were abolished, the refiners of this country would not only be able to supply this country with refined sugar which they require, but would also be able to obtain a considerable portion of the export trade?—I think that it would become a very important export industry in this country.

898. You believe that the facilities for refining sugar here would enable you to compete on fair, and probably on favourable terms with France?—Undoubtedly.

899. Of course you have only been speaking on this question from a refiner's point of view?—Yes.

900. But there are other interests, such as, for instance, those of the West India sugar growers, which are also of immense consequence?—I should have laid great stress upon those interests had I not known that the West India interests will be well represented before this Committee. I may say with regard to that, that it is very greatly to our interest that the production of West India sugar should not decline, because, of course, we are naturally supplied from the West Indies with our raw material, and therefore it would be a very great injury to us for the production in the West Indies to be seriously affected, as it has been already.

901. It has been said that the sugar refiners of this country benefit to a considerable extent in consequence of being able to avail themselves of the raw Austrian bounty-fed sugar; I understand from you that the refiners are perfectly willing to see the bounty on the raw sugar stopped, as well as the bounty upon the refined sugar?—Certainly.

902. So that, if there is any advantage in being able to buy raw sugar imported with a bounty, they are perfectly willing to give up any advantage of that kind?—I do not think that there is any advantage in it, beyond the fact that the Austrian bounty gives us a large supply of raw sugar from Austria; but if that artificial supply did not come from Austria, we should have natural supplies from other countries.

Mr. Alexander Brown.

903. You get it cheaper, do you not?—No, the price of sugar all over the world is on a level. I quite admit that the Austrian bounty forces down the price elsewhere and makes sugar everywhere cheaper; but Austrian sugar is no cheaper than any other sugar.

904. You have no doubt that cane sugar can be grown and imported into this country as cheaply as, and perhaps more cheaply, than the beet sugar?—I should not like to commit myself to any opinion upon a subject that I have not gone into, but certainly I have that impression. I think, looking at it even roughly, you must come to that conclusion.

905. Supposing that the principle of a countervailing duty were agreed to, do you see any practical difficulties in the way of imposing it?—No, I do not.

906. Do you not see any difficulties in the way of ascertaining what country the sugar had come from?—No; I believe that our Customs are

Mr. Alexander Brown—continued.

perfectly competent to take measures for doing so. I can give an instance of that. A little while ago rum was sent to Jamaica and then shipped here as Jamaica rum, Jamaica rum being a superior article, which I believe obtains a higher price than other kinds of rum. As soon as that was found out, Her Majesty's Customs were perfectly capable of ascertaining whether it was Jamaica rum or not, so I am told.

907. Is there anything else which you wish to mention in your examination in chief that we have not asked you about?—No, I think not; I do not know whether you want me to give any arguments in support of my opinion that the principle of a countervailing duty is a sound one; if so, I can give them.

908. You have no doubt that the principle is a sound one; and you do not believe that there would be any difficulty in its application?—I have devoted a good deal of time and trouble to establish the fact by argument that the principle is a sound one, and now I am relieved from any further trouble on that matter by the statements which have been made in the public press by writers whose opinions ought to carry great weight, I think, and I am prepared to quote those opinions in support of my view. There is one question which Mr. Brown put to me on Monday, which I promised to answer to-day. He wished for the chapter and verse with regard to the preliminary duty which France proposed to levy, viz., a minimum duty on the raw sugar entering the refineries in the system of refining in bond, which they proposed to adopt. I was pointing out that the levying of that preliminary duty, to a certain extent, spoiled the system which they proposed, because it involved the payment of a drawback upon export, which, of course, the object of refining in bond is to do away with. I was asked to give the quotations from the French law, showing that the preliminary duty was to be levied. After the Convention had been entered into, of course the terms of it were drafted in the form of a law, and were ratified by the National Assembly on the 30th of December 1875; and the 5th clause in that law is the one referring to this point: "*Les sucres bruts destinés aux raffineries sont préalablement imposés au minimum, d'après leur rendement présumé au raffinage; ce rendement est calculé conformément aux bases que déterminera un règlement d'administration publique.*" ("The raw sugars destined for the refineries are assessed with a preliminary minimum duty, according to their presumed yield in refined sugar; this yield is calculated in conformity with bases which shall be determined by a public system of regulations.") Then Clause 8 says, "*A l'exportation des sucres raffinés, le service des douanes délivre un certificat de sortie qui en constate la nature, le poids, et la richesse saccharine.*" ("On the exportation of refined sugar the Customs authorities deliver a certificate of export which states the nature, the weight, and the saccharine richness.") So that that quite bears out what I stated, that, under this French system of refining in bond with a preliminary duty, there was still a drawback on export; a certificate of export was given which was equivalent to a drawback.

909. With regard to the last part of your examination, you stated that there would be no difficulty about knowing whether sugar was bounty-fed sugar, or sugar from other States which were

Mr. Alexander Brown—continued.

were not bounty fed, and that, therefore, you would think that there would be no difficulty in the Customs taxing it accordingly; is that your opinion?—I think that is a question which would be more satisfactorily answered by a Custom House official. I merely quoted the case of Jamaica rum to illustrate that they are perfectly capable of detecting the country of origin, but I am not aware how it is done.

910. You gave an opinion just now that there would be no difficulty about it, did you not?—Yes, I based that opinion upon what I believe is a fact with regard to Jamaica rum.

911. Take this case: sugar from Germany passing through Holland into this country, Holland being bound by the Treaty?—I should think that Holland, being bound by the Treaty to abolish bounty, would not be very willing to allow bounty-fed sugar to pass through her country in order to compete with her in the English market.

912. Supposing that Austrian sugar came from a German port, Germany not being bound by the Treaty?—Then, of course, they would be

Mr. Alexander Brown—continued.

charged with the countervailing duty. Germany gives a bounty as well as Austria.

913. You might have a countervailing duty on one scale upon German sugar, and on another scale upon Austrian sugar, because the bounty might not be so high in Germany as in Austria?—Then I think Germany would take care that the Austrian sugar should be detained.

914. Have you any recollection whether difficulty was experienced in this country many years ago as to the question of grain and wheat coming from Russia during the Crimean war?—No.

915. Do you know that it was stated, over and over again, that we had a great deal of Russian wheat brought into this country during the time of the war with the Russians in 1854, that wheat being shipped to us through German ports, and that certificates of origin in that case did not keep out this Russian wheat, which we intended to do by the blockade; is not that an analogous case to what might happen as regards sugar?—I cannot say.

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Mr. JAMES DUNCAN, called in; and Examined.

Chairman.

916. You are engaged in sugar refining, are you not?—Yes.

917. I think you are Chairman of the Sugar Refiners' Committee, of which Mr. Martineau is Secretary?—Yes.

918. How long have you been in the sugar refining trade?—I began, in 1858, in Greenock.

919. Do you still manufacture in Greenock?—No, only in London.

920. What is the principal kind of sugar that you produce?—Principally moist sugar; that is to say, crystallised sugar, and a sort of medium sugar and pieces.

921. What quantity of sugar do you refine in the course of a week?—It ranges from about 1,500 to 1,700 tons a week, but the house is capable of doing 2,000 tons, if it was required.

922. Are you speaking now about that which you convert into moist sugar?—A portion of that is converted into moist sugar and a portion into loaves.

923. You now, I believe, make some loaf sugar?—Yes, a very small quantity.

924. And that comparatively recently?—Yes, it is just about this time twelvemonths that I began to make loaf sugar.

925. How long ago is it since you commenced to build; I presume you had to build factories specially for loaf sugar?—Yes, certainly.

926. Different machinery is required for making loaf sugar, is it not?—Yes, it requires much more space, a more capacious building to work the loaf sugar than the other. That house was built, I believe, about three years ago, but there was no opportunity of starting it earlier than last year. I thought, last year, there was a chance of doing some good with it, and I started it, but, of course, only on a very limited scale.

927. We have been told that, for a long time past, loaf sugar refining has been a decaying industry, and we have had it in evidence that refineries in this country have been reduced from a number of 30 at one time to total extinction, I believe?—Yes, at one time it was quite im-
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Chairman—continued.

possible to refine sugar at all when the French system was at its worst. But since then the agitation that has been going on has stopped the advantages in France, and that has enabled the English refineries to go on again.

928. What do you mean by stopping the advantages?—Diminishing the bounties. There was, at one time, a great deal of fraud going on in France, and I think that, owing to the agitation carried on in this country, and also to the agitation carried on in France by the *fabricants*, the fraud has been considerably stopped; but the legal bounty of course goes on.

929. I do not know whether you can speak from personal knowledge, but I suppose the French refiners do not profess to give the English consumer the whole amount of the bounty which they receive, their purpose being served if they sell sugar only at a very trifling reduction below what it can be produced at?—Certainly.

930. So that, although the amount of the French bounty may be large, it does not follow that the advantage which the English consumers of sugar obtain is in proportion to the amount of the bounty?—No, it is not. The French refiner does not get the whole advantage now; the *fabricant* gets a little advantage.

931. Are not the *fabricants* those who are using the most strenuous efforts to obtain the abolition of the bounty?—Of course they are.

932. Therefore it would follow that the *fabricants*, if they obtain any portion of the bounty, must obtain a very small portion of it?—Very small, and they see that every year it is destroying the trade.

933. Your experience then would go to show that a bounty is received by these different people, a portion by the *fabricants*, a portion by the refiner, and a portion by the consumer?—Yes.

934. Was there any particular reason for your commencing to prepare for loaf sugar refining at the time when you began to build your house?—I saw that the French were not getting the same advantages that they did formerly, and I thought,

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Chairman—continued.

in that way, there was an opportunity of starting; and it looked very much as if we were going to have a change in the French law, and as if refining in bond was going to be introduced.

935. When you began to build your house, were you at all influenced by the fact that a Convention had been agreed to?—Certainly.

936. It was that fact which led you to suppose that the French bounty would be abolished and that loaf sugar refining here would be a paying trade?—Yes, that is the case.

937. What is the amount of sugar that you can refine in your loaf sugar house?—I think it could be arranged for doing from 400 to 500 tons a week, and now we only produce about 170 tons a week.

938. Do you mean refined sugar?—Yes, and at present we are turning out about 170 tons of loaves a week; but the house, if worked to its full capacity, could turn out 400 to 500 tons.

939. It must, I suppose, be considered a considerable loss to you if you have a house capable of turning out 400 or 500 tons, and you only turn out 170 tons?—Yes, of course, every additional ton that I can produce lessens the cost.

940. May I ask why you do not produce the utmost quantity that you can produce?—Because I cannot sell it at a profit.

941. Do you have any difficulty in selling the quantity of 170 tons which you now produce?—Yes, it is exceedingly unsaleable.

942. As a matter of fact, have you stocks of that at the present moment?—I have about two-and-a-half weeks' manufacture unsold, that is to say, of loaf sugar; and perhaps only about three days of the other manufacture unsold.

943. So that I need hardly ask you whether the production of loaf sugar is profitable with you?—We could sell a small quantity of it at a profit, but that is all. If I confine myself to a very small quantity, I manage to make a little out of it.

944. Do you keep the accounts of the cost of manufacture of the one kind of sugar separate from the other?—No, they go together; but still I can judge quite easily that we make a little out of it; of course, if it did not pay, I should stop it at once, but I can carry it on to a limited extent, on account of the position of the refinery in London. I can compete to a very small extent in London in that way.

945. Then your successful competition is confined entirely to the London market?—Yes, almost entirely to London and the neighbourhood of London.

946. And you gain some advantages in connection with carriage, which enable you to manufacture 170 tons a week?—Yes, that is the chief thing.

947. But you cannot manufacture more than that and sell it?—No, not at present.

948. What is the reason of your being unable to do that?—The reason is on account of the enormous importations of French and American sugar.

949. Do we get large importations of loaf sugar from America?—A large quantity of American sugar has come out this year.

950. From what part of America?—From Boston and New York.

951. Is the refining of sugar in America increasing?—I do not know about that; I think it

Chairman—continued.

has rather gone down. In 1876, I think refining was at its height in America. At that time the bounty was very much larger there than it is now, and the Government stepped in and prevented them exporting it; they were in 1876 buying sugar in London and taking it out to New York, and refining it and sending it back to London. Of course, we knew it could only be done in that way, and the Government came forward and stopped them from doing it.

Mr. Courtney.

952. Did they alter the law?—Yes, they have altered the law with the object of preventing fraud. The same system is carried out with regard to sugar coming in. The American law is exceedingly arbitrary; they say, "That sugar is a coloured sugar," and they very often sieze sugars which are not artificially coloured, but are naturally coloured. They are more stringent in carrying out the law, but I think the law remains very much as it was.

Chairman.

953. Is the system upon which the duty is levied there the same as the French system?—It is the same as the French system, only a little intensified. It is the French system carried out a little more strongly.

954. Are the sugars classified according to colour?—They are classified according to colour.

955. Are they divided into grades?—Yes, precisely the same as under the French system.

956. What I understand you to say now is, that in consequence of the detection of frauds, the bounty is less in America at present than it used to be?—Decidedly; but there is another thing which has increased the importation of sugar from America, which ought not to be lost sight of, and that is this (of course, you can draw your own inference from it); at the present time, Louisiana produces about 120,000 tons of sugar per annum. This sugar, of course, is duty free; it is native sugar. The duty upon West Indian and Cuban sugar ranges from 1 *d.* to 1½ *d.* per lb. Then the refiner, when he exports this sugar, swears that this sugar is not made out of Louisiana sugar; but I know perfectly well that Louisiana sugar, Cuban sugar, and West Indian sugar are all refined in the same refinery at the same time, and of course it is a very difficult thing, when your liquors are all mixing, to know where the Louisiana sugar is, and where the other sugar is. That I believe accounts to a certain extent for a quantity of sugar that came across this year.

957. Do you believe that if America were to refine her sugar in bond, she would be able to compete with this country?—Certainly not.

958. And it is only in consequence of the bounty obtained by the system which is adopted there that she is able to send her sugar here?—Exactly so.

959. Can you give us any idea of what, in your opinion, is the amount of the American bounty?—That is very difficult to find out. They have a system in America which is a very peculiar system, in this way: if a cargo of sugar arrives they say, "66 per cent. of the sugar is under the class, and the remaining 33 per cent. is above the class;" and that remaining 33 per cent. is charged at the low duty and not at the high duty, so that that gives them a great advantage

Chairman—continued.

vantage, and of course the cargoes are arranged to meet that; that is to say, they put one-third good sugar, and two-thirds common sugar in the same cargo, and then it is mixed together and passes at the low duty, so that they get a considerable advantage in that way.

960. Going back to the question of bounty on the Continent; in France and Holland the bounty, I may take it, from the large quantity of moist sugar which you turn out does not affect the moist sugar to the same extent as the loaf sugar?—No, certainly not.

961. And you are able still to carry on that trade advantageously?—The present French law prevents, or rather throws, so many difficulties in the way of the export of pieces and crystals, that practically the amount of pieces and crystals exported from France is almost nothing.

962. May I ask what you mean by "pieces" and "crystals"?—Crystals are the very finest white sugar in a crystalline form, and pieces are the lowest, and every sort of refuse sugar of the refinery.

Mr. Bell.

963. Is it of a dark colour?—It may be a very bright yellow.

Sir James M'Garel-Hogg.

964. Surely all crystals are not white; Demerara crystals are not white?—No, but refined crystals are white.

Chairman.

965. Were you ever at all alarmed lest the same system of bounty which is applied to loaf sugar refining in France should be also applied to moist sugar?—Yes, we were. The refiners tried very hard one year to get a law passed to enable them to make pieces and crystals in Paris and send them here, but that law did not pass; the Government would not agree to it.

966. But, of course, there is no difficulty in applying the same system to moist sugar if they wished to do so?—No, certainly not.

967. You use Austrian beetroot sugar, do you not?—Yes, Austrian and German beetroot sugar.

968. This sugar is exported from Germany and Austria with a bounty?—Yes.

969. Supposing that a countervailing duty were put upon refined sugar, would you, as a refiner, assent as a matter of course to a similar duty being placed upon Austrian or German raw sugar?—Certainly. It would only be fair, of course, if that was done in the one case that it should be done in the other.

970. But would you not lose the advantage of purchasing cheap raw sugar in that case?—We should, to some extent, but we should gain on the other hand quite sufficient to balance, I apprehend.

971. I suppose you would look with considerable apprehension to an extinction of the growth or a large reduction of the growth of cane sugar, would you not?—Decidedly. We wish to receive supplies from all quarters, both cane sugar and beetroot sugar.

972. And, although you might be able to obtain some amount of advantage in purchasing beetroot sugar with a bounty at present, it would be dearly purchased if it led to the extinction of the growth of cane sugar?—Yes, it would.

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Chairman—continued.

973. Do you believe refining in bond to be the only practical remedy for the bounties?—Yes; we had arrived at that conclusion years ago.

974. Have you examined into the question of saccharimetry, or into any of the other modes which have been proposed for remedying the bounty?—Yes; all these different systems have been laid before me.

975. And you are satisfied that they would not have that effect?—No. As regards saccharimetry, I could give you in two or three words an exact statement of how difficulties would arise; for instance, I think about nine years ago there was a case at Marseilles where a man imported a quantity of sugar with a little sand in it, and he determined that this sugar should be assessed according to analysis; when the sugar came in it was analysed, and it was found that the amount of sugar contained in the sample, after deducting the ash, was excessively small. The Government began to examine it, and they found that this ash was not a genuine ash at all, but that sand was put into it; and, therefore, of course when they multiplied the ash by five as they do in the usual experiments, it brought their sugar only to about 60 per cent. of sugar; that shows how saccharimetry can be tampered with.

Mr. Bell.

976. It would be difficult, I should think, to devise any plan which should have for its object the deception of the authorities which would be more easily found out than that?—Yes, of course; but that is the way the man was found out.

977. They had only to dissolve the sugar, and the sand would be left at the bottom of the glass?—Yes, but colonial sugars always contain more or less sand, but he put in too much; he made a mistake.

Chairman.

978. I suppose it could be easily conceived that there might be an amount of sand sufficient to amount almost to fraud; that is to say, to enable the refiner to obtain his sugar on a very wretched analysis, and yet it is possible that it might be accounted for by natural means?—Yes, exactly; if it was kept in moderation, so as not to excite suspicion.

979. There is a certain amount of sand in all the sugar that is imported; and therefore a little more or less would not, perhaps, attract the attention of those who had to investigate the sample?—Yes.

980. And that being so, there is always a door there open for fraud?—Yes.

981. But even, I suppose, without fraud, there are still grave objections to saccharimetry?—If it were possible to carry it out faithfully, there is no doubt that, if samples were taken carefully, you could, by chemical analysis, arrive exactly at the real value of the sugar. There is no difficulty about that whatever.

982. But would it not be possible to take two samples from the same parcel of sugar which would give different results upon analysis?—Yes; but that is not taking the sample faithfully. If the sample is taken faithfully, it is quite possible to arrive at a correct estimate of the result.

983. That is to say, if all parties to the transaction

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action were only anxious to obtain a result which was strictly in accordance with justice, it might be done?—Certainly.

984. But if any one of the parties was anxious that a result should be arrived at which was not in accordance with justice, that result might easily be obtained?—It might.

985. Do you believe that this country would be justified in agreeing to a Convention, with a stipulation that there should be a countervailing duty on sugar coming from all countries that did not refine in bond?—That would be perfectly fair.

986. And it would not, in your opinion, be antagonistic to the principles of free trade?—No, certainly not.

987. Do you see any practical difficulties, supposing that the principle were granted, in carrying out such a system?—That is another thing. It is a difficult thing to see how it could be carried out. It would be rather a difficult thing to carry out a countervailing duty. It is perfectly fair in principle, but as to the carrying out of it, that is another matter.

Mr. Orr Ewing.

988. What are the difficulties?—If you countervail the one thing, you have got so many other things to countervail.

989. I do not understand that answer; will you explain it?—If you admit the principle of a countervailing duty on sugar, then there are other articles to which the same principle ought to apply.

990. But we are not dealing with other articles; we are told that there is no other article so dealt with, but even although there were, laying that aside, what are your difficulties with regard to sugar?—It is a simple enough thing to put on a countervailing duty, of course.

991. Then there are no difficulties?—I would not say that exactly. If you do not look beyond sugar, of course there is no difficulty whatever.

Chairman.

992. So far as a countervailing duty on sugar is concerned, you do not see any difficulty?—No, I do not, if you take sugar alone.

993. What other article, except sugar, do you contemplate that it would be necessary to put a countervailing duty on?—There are spirits, I believe, but then that is already countervailed by our Government.

994. When you were alluding to the difficulties with reference to sugar, I thought you were alluding to some articles of the nature of sugar, so that it would be necessary to embrace those articles in a countervailing duty; but I understand you to say now that, so far as the sugar industry is concerned, there is no difficulty in imposing a countervailing duty?—No, not as far as sugar is concerned.

995. Your difficulty is, that if you apply a countervailing duty to sugar, you must apply it to some other manufactures?—Yes.

996. Will you tell me what manufacture is in the same position as the sugar manufacture?—Spirits.

997. But there is a countervailing duty on spirits?—Yes.

Mr. Orr Ewing.

998. Are you aware that the spirits imported from other countries pay a higher duty to the State than home-manufactured spirits do?—Yes,

Mr. Orr Ewing—continued.

there is a very heavy countervailing duty on spirits.

999. It is only about 5 d., is it?—But if you say it is a very small amount, it really is a very large amount, because a gallon of German spirits is only worth 1 s. 5 d., and if you put on that a countervailing duty of 5 d. per gallon, it is enormous.

1000. But the price of German spirits in this country is 11 s. 5 d.?—No, the raw spirit is 1 s. 5 d., and 10 s. 5 d. is the duty.

1001. The object of that is to protect the distiller here, he being under a stringent law of Excise which affects his production; and I believe it is acknowledged to be a very fair allowance to the home distiller?—5 d. on 1 s. 5 d. seems a very large allowance.

Chairman.

1002. You say that there is a countervailing duty on spirits; are you aware whether there is any difficulty found in imposing that duty?—I believe none.

1003. Do you know any other industry in which there is a countervailing duty?—Tobacco.

1004. Are you aware whether there is any difficulty found in imposing that?—I am not aware that there is.

1005. So that so far as these articles, which are subject to a countervailing duty, are concerned, you know of no difficulty in the imposition of the countervailing duty?—Certainly not with regard to the countervailing duty on those two articles.

1006. You said that you could see no difficulty in imposing a countervailing duty on sugar, but that you thought it would have to be applied to other articles, and that the difficulty would arise; you have now given us two instances in which a countervailing duty is imposed without difficulty; can you give us any other article on which you think it would be necessary to put a countervailing duty if you had it upon sugar?—I cannot recollect at the moment.

1007. Do you believe there is any article imported into this country subject to a bounty except sugar?—I cannot recollect at the moment any other article.

1008. Countervailing duty means, at any rate when we are speaking about sugar, a duty equivalent to a bounty, does it not?—Certainly.

1009. Therefore, if there was no other article imported into this country with a bounty, there would be no other article upon which a countervailing duty would require to be put?—No, certainly not.

1010. Can you give us any information upon the subject of the German bounties?—Yes, I think I can. The German sugar tariff stands as follows: The duty in Germany is levied on the beetroots; the beetroots are grown first of all of a very small size, in order to get them exceedingly rich; then those beetroots come into the factories and are washed, and the tops carefully cut off, so that nothing but the very best part of the beetroot shall pass the Government scales. Then as soon as they are washed and laid aside the Government weigh them, and charge 80 pfennings per cental, that is about 8 d. per cwt. That is the duty. Then as regards the drawback, the drawback on all raw sugar rising from

Chairman—continued.

88 to 98 polarization, is 9 marks 40 pfennings on 50 kilogrammes, that is 9 s. 4 d. per cwt., in round numbers. Then on crystals and granulated kinds of sugar, the drawback is 10 marks 80 pfennings on 50 kilogrammes, and on loaves and tablets it is 11 marks 50 pfennings. Then the Government levies a duty on foreign sugar of 12 marks 50 pfennings for raw sugar, and 15 marks 50 pfennings for fine sugar. So that, practically, Germany keeps entirely out of her country both raw and refined sugar.

1011. Are you prepared to give us any estimate of the amount of the bounty?—I have made some calculations, but of course you will understand that the bounty depends very much upon the season in Germany. If in one year you have very rich roots, of course you have a much larger bounty than if you had a very bad season and very poor roots; but I think the average might be taken at about 30 s. to 2 l. per ton. I have gone into the thing pretty carefully, and I think that is about the amount. In some cases it is even a little more.

1012. When we were speaking of countervailing duty just now, I presume that rather than be supposed to want protection in the ordinary sense, the refiners of this country would be perfectly satisfied if a countervailing duty even below the minimum were imposed?—Certainly.

1013. With reference to this question of countervailing duties, do you remember the convention of 1864?—Yes.

1014. That convention was assented to by England, and by Holland, Belgium, and France, was it not?—Yes.

1015. Was there any article in that convention which pointed to the imposition of a countervailing duty in the case of a bounty?—Yes, there was. It was agreed to by all the countries.

1016. Can you tell us what article it is?—I think it is Article XIX: "In the event of bounties being granted in the said countries on the exportation of refined sugars, the high contracting parties will be at liberty to come to an understanding as to the surtax to be unposed on the importation of refined sugars of and from the said countries."

1017. Have you any experience of the growth of beetroot in England?—I have.

1018. Can you give me an explanation of why the growth of beetroot is practically confined to the Continent; is no part of this country adapted to the growth of beetroot?—It is. One disadvantage, of course, is the bounty system. If foreign sugar has a bounty of 2 l., which you may take it to be on an average, of course, that is a prevention to the growth of sugar in England.

1019. The bounty, of course, renders it practically impossible to grow any beetroot in England?—Yes, that is the case. Beetroots can be grown in the east of England of quite as good quality, if not better, than even in France.

1020. Of course, in the face of the bounty that you speak of, it is impossible?—Impossible.

Mr. Bell.

1021. Do they judge of the value of the juice by the polariscope?—Yes, that is about the best system that we have.

1022. But the duty is not levied by the polariscope.

Mr. Bell—continued.

riscope, is it?—No, not at present. In France, the Government reserves to itself the right of analysis in this way; if they suspect that the sugar contains a larger per-centage of sugar than the sample should indicate, they reserve to themselves power to analyse the sample, and to charge the duty by analysis.

1023. Then do they charge it by analysis, or by the use of the polariscope?—Of course, the polariscope is the instrument used in the analysis; the only way you can analyse sugar is by the polariscope. There is another system, but the polariscope is the most effective system.

1024. Polarization is not analysis, is it?—No, but that really makes the analysis; because by this instrument you can read at once what is the quantity of sugar contained in a certain solution of sugar.

Chairman.

1025. It is the Austrian bounty on raw sugar which prevents beetroot sugar from being grown in this country, in your opinion?—Not only Austria, but every country in Europe gives a bounty, more or less.

1026. But it is the bounty on raw sugar which prevents the beetroot being grown in this country, is it not?—Certainly.

1027. And you believe that if that bounty were not given, our agriculturists would be able to grow beet at a profit?—Yes, there is nothing to prevent them.

Mr. Alexander Brown.

1028. With respect to the polarization of light and its effect upon natural sugar, what is the way in which you establish the value of certain sugar by the polariscope?—We take a certain number of grammes of sugar, and weigh it out carefully, and then dissolve it in distilled water. Then this sugar is either clarified to get a clear solution by a solution of lead, or put through animal charcoal. Then this solution is filled in a tube of exact capacity, and by simply placing it in the polariscope, you read off 91, 92, 93, 94, 95, or 91 three-tenths, or 91 four-tenths, or whatever it is, of sugar. The instrument is made to indicate exactly the amount of crystallisable sugar contained in the solution.

1029. And by it you know the exact quantity of sugar?—Yes, by polarization, but it does not indicate the quantity of sugar that we may hope to get in refining.

Mr. Orr Ewing.

1030. Does it require great skill to read off that instrument?—No. Some people are colour-blind, and then there is a difficulty, but we find, in practice, no difficulty at all. If the polariscope gives you 95, and leaves one of ash, we should expect to extract 90 per cent. of crystallisable sugar out of it.

Mr. Alexander Brown.

1031. Therefore you think that the system of testing the sugar by the polariscope is not a fair way?—It is perfectly fair.

1032. With regard to the question of a countervailing duty, you said just now that you saw great difficulties in the way of such a duty, did you not?—I mention spirits. If you ask me merely whether there is any difficulty about a countervailing duty on sugar, certainly I say there is not.

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Mr. Alexander Brown—continued.

1033. Sugar would be subject to drawback abroad in these bounty-fed States according to the certain classes, would it not?—Yes.

1034. It would be necessary then to institute in this country duties corresponding to the drawback which was received on those losses abroad?—Yes, if you went into the case very minutely, but I do not see any occasion for that.

1035. But, practically, if you make a duty that corresponds to the drawback abroad, you would have to make the scales of the duties to correspond to the scales of the drawbacks abroad, would you not?—Yes.

1036. Would not that involve, on the part of the Customs officers, considerable difficulty?—There would be difficulty about it. To exactly countervail the duty in France, or the duty in Austria, or the duty in Germany, would become very difficult, certainly.

1037. You quite understood what I mean; that, in order to make an equitable and just countervailing duty, you would have to vary the duty exactly in accordance with the various scales upon which bounty was given abroad?—Yes, there might be a slight difficulty in doing that.

1038. If the sugar came from different countries, there being different systems abroad of giving bounty, the Customs officers in this country would have to institute a different system of establishing a countervailing duty when the sugar came to this country?—Yes.

Mr. Courtney.

1039. You said just now that you thought that beetroot could be grown profitably in England if it were not for the bounties abroad?—Yes, I think so.

1040. But they still bring in a considerable quantity of raw cane sugar every year, do they not, which does bear competition with the raw beetroot sugar brought in from abroad?—I am not quite sure about that. I am afraid that a great deal of the cane sugar that comes in this year really comes in at a loss to compete with the beetroot sugar.

1041. It has been kept up for a good many years, has it not?—Yes, but the production of beetroot sugar is only now beginning to assume very large proportions. A few years ago the quantity of beetroot sugar imported was exceedingly small; but now, in my own refinery, for about eight months in the year, I use beetroot sugar almost entirely, and for the remaining four months I use mixture of cane and beetroot. Probably in another couple of years I shall be able to use no cane sugar at all, but entirely beetroot.

1042. It is not of very great importance, but the actual amount of cane sugar brought in has not declined, I think?—Unless I had a statement of the figures before me I could not say so; I should think, however, speaking roughly, that it has decidedly declined, because at one time we received very large quantities of sugar from Cuba, and for the last three or four years we have received almost none.

1043. Cane sugar does somehow or other maintain a competition in England with beetroot sugar, does it not?—It has up to the present time.

1044. But you say that English beetroot sugar could not now sustain that competition under the present conditions?—Certainly it cannot.

Mr. Courtney—continued.

1045. But cane sugar does?—I am convinced that there is a difficulty, and that a great deal of cane sugar is being brought in at a loss at the present time.

1046. Do you suppose that, if all bounties were abolished, beetroot sugar could be produced in England in competition with cane sugar?—Yes, I think it could, certainly.

1047. Although cane sugar is able to keep up a competition with the bounty-fed beetroot sugar, and English beetroot sugar could not?—Yes.

1048. There seems to be a little difficulty in reconciling that?—My answer is that most of the cane sugar that is coming in here just now is coming in at a loss, and that if the beetroot sugar continues to increase, as it has been doing, it is only a matter of a year or two before a great deal of that colonial sugar will not come at all.

1049. Is it not a fact that the increase in the importation of beetroot sugar is counterbalanced by the increase in the consumption?—It has been up to the present time.

1050. So that it has not, up to the present time, trenching upon the importation of West India Sugar?—I maintain that it has. At one time we received very large supplies from Cuba, which we do not now.

1051. At any rate the actual amount of cane sugar which we import has not diminished; however, I do not press it. As to the countervailing duty, you cited, as instances of countervailing duty, the duties on spirits and tobacco?—Yes.

1052. Are they at all analogous to the countervailing duty which is now suggested in the matter of sugar?—In Germany, I believe, there is a bounty upon German spirits.

1053. We have no countervailing duty against that, have we?—The duty on German spirits is 10 s. 5 d., and on English spirits it is 10 s.

1054. I thought you said that there was a bounty?—There is a bounty on the exportation of German spirits.

1055. How much is that a gallon?—I cannot tell you, but you can easily find out at the Excise; they can give you full information about that.

Chairman.

1056. Do you mean bounty or drawback?—There is a bounty on it, I understand.

Mr. Courtney.

1057. Do you mean to say that the extra 5 d. which we impose is intended to balance that bounty?—I understand that the extra 5 d. is put on because they say that our distillers are at a disadvantage as compared with foreign distillers.

1058. In consequence of what?—I cannot tell.

1059. Not in consequence of the supposed bounty given by the foreign government?—I cannot tell you that.

1060. I do not think you will find that that 5 d. a gallon, or any other sum, is at all supposed to compensate the bounty?—It is meant to compensate something; but what, I cannot say.

1061. It is meant to compensate the English distiller against the increased restrictions of the Excise; and so with respect to tobacco; but this proposed countervailing duty is of a totally different character; it is to compensate the English refiner against the bounty given to the foreign refiner?—Yes.

1062. Will not the difficulties in that case be entirely different from any difficulty applying to a supposed

Mr. Courtney—continued.

a supposed countervailing duty on spirits and tobacco?—No, I do not think so.

1063. In the first place, you would have (as the honourable Member on my left has pointed out to you) to consider the duty levied in each State?—Yes.

1064. You have nothing of that kind with respect to spirits?—If you take the British West Indies, there is a different duty on spirits from the West Indies from what there is on spirits from Germany. The duty on spirits from the West Indies is 10 s. 2 d., and the duty on spirits from Germany is 10 s. 5 d.

1065. That is an extremely small difference, is it not?—It is enormous; because if you take a gallon of German spirits at 1 s. 3 d., and add 10 s. 5 d., the bounty is enormous. It is the raw material that has got the tax put upon it. It means this, that the British distiller wants 5 d. a gallon more to produce the same article that is made in Germany.

1066. He wants 5 d. out of 11 s. 5 d.?—Out of 1 s. 3 d.

1067. However, we have come to this conclusion: that the action of a countervailing duty against foreign bounties would be totally different from the action of a countervailing duty upon spirits?—That depends upon how you look at the assessments of the spirit bounty.

1068. We do not in respect of spirits attempt to discriminate accurately between the different bounties supposed to be levied by foreign countries, whether we get spirits from Hamburg or from Bordeaux?—I understand that German spirits and French spirits all pay the same duty.

1069. But if you are going to impose a countervailing duty on sugar we should have to take into account the different bounties in France, Holland, Germany, Austria, and the United States, should we not?—Yes.

1070. And all that would, I suppose, involve considerable difficulties in operation?—There would be a difficulty.

1071. It is said that we need only pay attention to two or three countries; do you agree with that?—No, I think that all countries ought to be put upon the same level.

1072. But as a practical question, do you think it is only necessary to attend to two or three countries?—Certainly not; I say that every country ought to be put upon the same footing.

1073. But would your difficulties, as a refiner, be almost removed if you got rid of the bounty on French sugar?—No; because I have seen a petition from the German refiners asking for a reduction of the drawbacks on raw sugar, and an increase of the drawbacks on refined sugar. The German refiners are urging their Government at the present time to assist them.

1074. So that you foresee serious difficulties with respect to other countries besides France?—Yes; I do.

1075. The United States in particular?—Yes, the United States has entirely suppressed a sugar industry that was carried on to a very large extent in Liverpool and in the Clyde; that is the boiling of the molasses. By their system of duties the whole of the molasses now must go almost entirely (there is a little comes here, but a mere trifle) to the United States, and then the resulting syrups are sent here in very large quantities.

1076. You are probably aware that the sugar 0.104.

Mr. Courtney—continued.

refiners in Canada complain that their industry is being destroyed?—Yes, but the law is changed and they have begun again, and they are working now.

1077. Up to that time they were completely suppressed?—Up to that time they were completely suppressed.

1078. I was only citing that as illustrating the danger that we should be exposed to?—Yes, it is proved in Canada to be a practical danger, and it is proved that when that danger is removed, refining goes on again.

1079. You are ready to encounter the difficulty of dealing with these cases as they arise one after the other?—Yes.

1080. And you know that they must arise?—Yes.

1081. You admit that the effect of this countervailing duty would be to increase the price to the consumer at home?—To an extremely limited extent.

1082. But to some extent?—To a very, very small extent.

1083. If it does not increase the price, would it be of any benefit to you?—Certainly not.

1084. It is only, therefore, for the purpose of obtaining the suppression of the foreign bounties that you want it?—It is for that purpose that we want it. It would be a very small affair on a large turn out.

1085. It is quite sufficient to make the trade one that can be maintained or that cannot be maintained?—Certainly.

1086. You say that the imposition of a countervailing duty would not be inconsistent with the principle of free trade?—I do not think it would.

1087. What is your notion of the principle of free trade?—It is a very difficult thing to explain; I cannot go into it just at present.

1088. Are you aware that for some time there was a considerable agitation amongst the paper makers in this country against the inequalities to which they were exposed?—Yes, I believe there was; but I understand that the paper makers had no bounty to contend against.

1089. I was going to explain to you what I believe was their complaint; it was this: that foreign countries were able to send in their paper here, duty free, but they practically prohibited the exportation of rags, so that our paper makers could not get at the raw material of their manufacture in the same condition as the foreign paper makers could?—But I do not think that that is at all analogous to our case.

1090. Take the case of their putting an export duty on rags, so that when our paper makers wished to get their raw material they had to pay so many pounds per ton more for the raw material; are not the cases analogous?—But still the paper makers could go to another market and get their rags.

1091. But the principal markets were closed in this way; they wished to have a countervailing duty put upon the importation of foreign paper just sufficient to balance this export duty on rags; they then said, "Our relative conditions of competition will be the same as under perfect free trade"?—I do not see that at all.

1092. And you would have opposed their claim?—I would have opposed that claim, certainly.

1093. But yet there is something to be said for

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for them, I think; they said, "If the rags were exported free we could keep up our manufacture; our manufacture is destroyed because we cannot get the raw material free, and we are destroyed simply by the protection of the trade in foreign countries"—Yes, that is true enough; but still the paper coming here was not receiving a bounty.

1094. It was receiving this bounty, that those people who made that paper, got a market kept for them to get their raw material?—Yes, but I cannot look upon that in the same light as a bounty.

1095. Does it at all matter how the thing is done, whether by giving an actual sum upon exportation, or by reducing the price of the raw material if the foreign Government gives to its manufacturers an advantage in this market?—Yes, I think it does.

1096. Surely the essence of the complaint is, that the French Government gives to the French sugar refiner an advantage in this market, so that the French sugar refiner can sell sugar more cheaply here than he can produce it under natural laws?—Yes.

1097. Is not that the same as if the French Government gave to the French paper-maker an advantage by preventing the exportation of rags, so that the French paper-maker sends paper more cheaply here than he could otherwise?—It does not appear to me that the two cases are at all analogous.

1098. I suppose you would not allow another illustration to be at all analogous: take the case of the long-contested quarrel over slave-grown sugar, where sugar was produced at abnormally cheap prices in consequence of the employment of slave labour?—I do not think that comes into the question either.

1099. You do not consider that that gave an advantage to the slave-owning producer of sugar?—It was an advantage; but it is quite different from giving a bounty.

1100. The effect of bounty after all is only this: that a man should be able to produce his commodity more cheaply than he otherwise would have done?—Yes.

1101. That is the mischief, and it does not matter how that mischief is brought about?—No.

1102. It is the same mischief if it is effected by giving him a quantity of cheap labour below the market price?—Yes.

1103. You would not feel it as a refiner?—No.

1104. But the Jamaica producer would feel it?—Yes; he does feel it.

1105. And you think he would have a good case for complaint?—I do not know that he would.

1106. You would not give him any compensatory duty to make up for it, would you?—No, certainly not.

1107. With respect to the United States production, there is no duty on native sugar in the United States, is there?—There is no duty on Louisiana sugar, and no duty on sugar from the Sandwich Islands.

Mr. Alexander Brown.

1108. Is there much sugar grown in the Sandwich Islands?—I think about 15,000 or 16,000 tons a year which goes entirely to San Francisco.

Mr. Courtney.

1109. Would it not be extremely difficult to get refining in bond in the United States where there is no native tax?—I do not think so at all.

1110. Of course Louisiana sugar would not be refined in bond?—No; but of course Louisiana sugar would be in the same position as sugar in the bonded refineries; then it could not go out, because there would be no duty upon it.

1111. You would have to set up special bonded refineries for foreign sugars, would you not?—All that you have to do is to bond the present refineries.

1112. But the present refineries also refine home-grown sugar?—Then they must refine Louisiana sugar in a different refinery.

1113. You would have to have two sets of refineries going, would you not?—Yes.

1114. Could that easily be worked?—Yes, it could easily be worked.

Chairman.

1115. It has been worked in this country, has it not?—Yes; certain refineries were worked under bond. Macfie & Sons, of Liverpool, had a house for working in bond for export only, and the other refineries were worked free.

Mr. Courtney.

1116. Did you give evidence in 1862, about refining in bond?—No.

1117. Of course, if refining in bond could be established, that would get rid of the whole difficulty?—It would get rid of the whole difficulty.

1118. You do not think that there would be any difficulty in that?—No.

1119. You are aware that all the refiners objected to it very strongly when it was urged upon the Demarara sugar growers?—Yes; on looking over the Blue Books I am aware that that was the case.

1120. You were not one of those?—No.

1121. And you attach no weight to that argument?—Not at all.

1122. Do you believe that the mere threat of retaliatory duties would bring the Frenchmen on their knees?—I think it would have a very good effect.

1123. I do not understand about your own production of loaf-sugar; you produce 170 tons a week, you say, which you get rid of in the London market?—Yes.

1124. Where does the provincial consumer in the South of England get the ordinary loaf-sugar from?—Mostly from France, because they can deliver it in Brighton, and those places from Paris at about the same rate as it can be delivered at in London, and in fact rather cheaper.

1125. Is it brought direct to Brighton?—To the neighbourhood of Brighton; not exactly to Brighton.

1126. Whereabouts are the sugar cargoes landed?—They land sugar at Newhaven, and all along the south coast; there are cargoes of sugar landed now.

1127. Of course they have a slight advantage over you?—Yes.

1128. How do the Midland counties get their sugar?—The French sugar is run across to Hull, and it can be landed at Hull as cheaply as, if not cheaper than it can be landed in London.

1129. You are able to compete with them in London?—Yes.

1130. How

Mr. Courtney—continued.

1130. How far out would your radius go, before the cost of the carriage in your case would be so great as to prevent your competing; do you go down to Rugby and Birmingham?—No, I think very little of our sugar goes down there; it is merely round about London.

1131. Do you not think you could carry it as cheaply as the Frenchman to Birmingham?—There is a very cheap rate of carriage to Birmingham from Goole and Hull, or from Cardiff and Bristol, and those places.

1132. But practically you do no business out of London?—Very little in loaf-sugar; in the other sugars, of course, I do.

1133. You sell to the retailer here, and not to the merchants, I suppose?—No, to the wholesale grocery trade in London and the neighbourhood.

1134. Do they send it out of London?—They do. There may occasionally be lots or parcels going to other places, but London is certainly the principal place where it goes to.

Mr. Bell.

1135. What is the carriage from Paris to London?—Including carriage, and landing, and warehousing, I think they do it now for about 25*s.* per ton.

1136. Then that 25*s.* per ton represents the disadvantage at which you are placed, because when they have to pay 25*s.* per ton carriage, then you can compete with them?—Yes.

1137. You seem to have a great apprehension of anything which might discourage the growing of cane sugar in the West Indies?—Certainly.

1138. Why?—Because the West Indian sugar is of course of great advantage to us.

1139. But it is only an advantage to you so long as it is cheaper to you than other sugar?—Decidedly.

1140. And as soon as anything takes place by means of which you can get sugar cheaper than West Indian sugar, your love for West Indian sugar would cease, I suppose?—Yes; but the difficulty is this: that as the beetroot-growing countries get the mastery of the sugar trade, so they will give up sending raw sugar altogether, and send us only refined sugar; that is our difficulty. If you would guarantee me always an abundant supply of German and Austrian sugar, then you might allow the thing to go on as it is now.

1141. Then you would be indifferent to the hard fate which might attend the West Indian Islands?—I am merely speaking as a refiner; it would not affect my interests. Of course it is a very hard thing for the West India planters.

1142. Then you are pleading for the West Indian cane sugar, as I understand, to the extent to which it may be affected by the introduction of the sugar produced from beetroot grown in France?—Yes.

1143. But you seem to hail with considerable satisfaction the prospect of excluding the cane sugar from the West Indies by beetroot sugar grown in England?—No, I do not.

1144. I understood you to say that, if this bounty were not given by the French Government, probably we in England would be able to grow beetroot sugar to compete with France?—Yes, I think we should.

1145. Beetroot grown in England would of course have the same effect upon sugar grown in

Mr. Bell—continued.

the West Indies as beetroot grown abroad would have?—But they would not be receiving bounty.

1146. They would exclude the cane sugar, would they not?—They would not exclude it, but there would not be the same pressure on the cane sugar as there is now.

1147. As a matter of fact, do you know whether beetroot grown in this country has as much saccharine matter in it as beetroot grown in a warm climate?—The beetroot that I did grow myself in Suffolk I consider rather better than the French beetroot, as a rule. I am talking of the north of France. As you get down near Paris, perhaps, the beetroots are a little better.

Mr. Orr Ewing.

1148. You said that Germany gave a bounty of from 30*s.* to 40*s.*, and sometimes a little more; is it the same in Austria?—So far as I can make out, the bounty in Austria is about the same. I have not got the exact Austrian figures, but I hope to have them in the course of two days, and then I can hand them over to the Committee, so that you will see exactly how the duty is levied in Austria, and you will see the drawbacks. The Austrian system is exceedingly complicated and very difficult to get at the bottom of, because one factory may receive a very much larger bounty than another; and I believe that at the present time, in some of the factories, owing to their trying to press forward the working a great deal, to get a quantity of beetroot passed through, they often lose a very great portion of the advantage that they expect to gain in that way.

Mr. Alexander Brown.

1149. The new Austrian law may have a considerable influence, I suppose?—It may have.

1150. They do not know what the effect of that law may practically be?—Not yet.

Mr. Orr Ewing.

1151-2. You stated that your works were capable of turning out 2,000 tons a week?—Yes.

1153. So that if you were a refiner in France, or in Austria, or in Germany, you would receive a bounty of no less than 208,000*l.* a year?—It would be something like that.

1154. And if the bounty were 30*s.*, it would be something like 150,000*l.* a year?—Yes.

1155. That is what is depressing and ruining the legitimate traders in this country?—It is.

1156. You do not object to legitimate competition?—Not at all.

1157. But you object to be ruined by this bounty system?—Yes.

1158. And you think that if the Government of this country would pass a law giving countervailing duties equal to the bounty, it would not be required to be put in practice, because the foreign nations would immediately refine in bond?—I believe they would.

1159. And you think that but for these bounties another industry might be started, which is so much desired at present amongst our agriculturists, that is to say, that beetroot would be grown to a great extent in this country?—Yes, certainly.

1160. Whilst you do not like to see the sugar-cane growers of the West Indies injured by the present system of bounties, you would have no objection that they should enter into a healthy competition

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with the farmers of this country
not?—No, certainly not.
is really, in truth, free trade?—

sugar has not been very profitable
of late, has it?—No, I believe

importations have not decreased,
they have not increased?—I think
ceased.

increase of consumption of sugar
1845 has been something like 400
it not?—I do not recollect the
consumption has increased im-
of course, the importation of cane
ceased since that date. This beet-
is of very recent date, and we
ning to feel the effects of it now.
his last season, 1,500,000 tons was
f sugar made in Europe. From
find that they have sown about
ore land for next season; so that
of a decent season, we may look
increase in the manufacture of
on the Continent of about 150,000
an enormous stride to make in one

think there would be difficulties in
countervailing duty?—In some

ou do not look upon the difficulties
mountable?—No, unless you say
is to be microscopically correct;
ervailing duty necessary would be
1. or 35 s. per ton for any of these

hought the price of sugar at home
ased to a small extent?—It would
nall extent.

Mr. Orr Ewing—continued.

1168. You would think it bad in principle that
our manufacturers should be ruined by the
bounty, although it gave temporarily a cheaper
price to the sugar?—Certainly.

1169. I suppose you are of opinion that if the
sugar manufacturers of this country were all
ruined by this system, the people of this country
would not derive the advantages of cheaper sugar?
—No, they would not.

1170. You were asked what free trade was;
I presume free trade is buying in the cheapest
market and selling in the dearest, or at all events
buying in the cheapest market?—It is, certainly.

1171. But I suppose there are many illegitimate
ways of getting an article cheaper?—Yes, there
are.

1172. For instance, the receiver of stolen
goods can sell much cheaper than the legitimate
trader?—Certainly, of course he can.

1173. That is not a system that you recom-
mend?—No.

1174. The duty upon the exportation of raw
sugar from France that you were asked about,
would be the same as if France were putting a
duty upon the exportation of beetroot, would it
not?—Yes.

1175. That is the very reverse of bounty?—
Yes.

1176. And therefore the case put by the
honourable Member for Liskeard is not a parallel
one?—No.

Mr. Courtney.

1177. Supposing that the French put an ex-
port duty upon raw beetroot sugar, and put no
export duty on refined sugar, would you approve
of that?—That is practically what they do just
now.

Monday, 23rd June 1879.

MEMBERS PRESENT:

Mr. Balfour.
Mr. Bell.
Mr. Bourke.
Lord Frederick Cavendish.
Mr. James Corry.
Mr. Courtney.
Mr. Orr Ewing.

Sir James McGarel-Hogg.
Mr. Morley.
Mr. Norwood.
Mr. Ritchie.
Mr. Stewart.
Mr. Thornhill.

C. T. RITCHIE, Esq., IN THE CHAIR.

Mr. JAMES DUNCAN, re-called; and further Examined.

Mr. Stewart.

1178. You explained, I think, that you had tried the experiment of beet growing in this country?—I have.

1179. Have you tried it to a considerable extent?—Yes.

1180. What kind of soil does beetroot require?—Heavy clay land produces the best sugar beet.

1181. Are you able to say whether the kind of soil that is the best for the production of wheat is the most suitable for the production of beetroot?—That is the case.

1182. With regard to the Austrian beet, I understand that there is no bounty on beet sugar exported from France?—There is not a farthing of bounty on the French raw sugar; only on refined sugar.

1183. But there is a heavy bounty on the Austrian beet sugar, is there not?—Yes, on Austrian and German beet sugar.

1184. I understand that very little refined sugar comes from Austria to compete in this market?—Not much comes to this country; a comparatively small amount comes at present.

1185. Then, the case of the 500 *fabricants* in France of whom you spoke, is exactly the same as that of your association in regard to their objection to the present system in France?—Yes, certainly.

1186. Is that entirely because they wish to see the Austrian bounties upon raw sugar done away with?—Yes, that is one reason.

1187. What is the other reason?—Another reason is this, that they wish to have the English refiner's custom as well as the French refiner's. At the present time the French refiner is their only customer; and the system of bounties produces that state of things.

1188. Has your association taken any joint action with those *fabricants*?—For several years we have taken joint action with them.

Chairman.

1189. Some questions were put to you with reference to the difficulty of levying a *surtaxe* or countervailing duty, in consequence of the different system under which the bounty was obtained in foreign countries; but if a convention were agreed to by the principal sugar producing countries to the effect that they would in future refine in bond, with a clause that a counter-

0.104.

Chairman—continued.

vailing duty should be put upon any country which did not refine in bond, you would practically have this result, would you not, that France, Holland, and Belgium, would refine in bond?—They would.

1190. Therefore, in considering the question of the countervailing duty you would not have to consider the imposition of a countervailing duty upon any one of those countries?—Quite so.

1191. Those are of course the principal sugar-producing countries?—Yes.

1192. So that if those countries were to agree to a Convention to refine in bond, with a stipulation for a countervailing duty against countries that did not refine in bond, and a countervailing duty had to be imposed in consequence of that Convention, the probabilities are that it would have to be imposed on sugar coming from one or two countries, probably from Germany, and perhaps from America?—Yes, exactly.

1193. Therefore, whilst there might be some difficulty in putting on a countervailing duty, if you had to discriminate between all the sugar-producing countries, if it were reduced by the Convention to one or two countries, those difficulties would in practice disappear?—Decidedly.

1194. Have you any doubt, having looked into the question, that if a Convention of this kind were agreed to, namely, to have a countervailing duty with the alternative of refining in bond, all sugar-producing countries would come under that Convention?—They would all come under that Convention, no doubt; they must do so; and I think the majority of them would be anxious to do so.

1195. It is obvious, is it not, that if a bounty failed to give the control of the export markets, the country giving that bounty would cease to have any reason for giving it?—Certainly.

1196. And if a countervailing duty were put on against the bounty-giving country, it would prevent that country having the control of that market?—It would.

1197. Therefore the effect of that would, in your opinion, be that bounties would cease, and that all the countries would come under the Convention?—Yes, certainly.

1198. You were asked one or two questions with reference to what was free trade; I do not wish to take you through the whole of the questions involved in the principle of free trade, but

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Mr.
Duncan.

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1879.

Mr.
Duncan.
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Chairman—continued.

I presume that, in your opinion, the principles of free trade are observed, so long as there is free circulation of commodities at their natural producing price?—I think so.

1199. If a countervailing duty were put on which exactly countervailed the bounty, that would still be permitting every country to reap its own natural advantages?—Yes, I think so.

1200. Bounties are, of course, a violation of free trade principles?—Yes.

1201. If a countervailing duty were put upon sugar from Austria, for instance, it would not prevent that country growing sugar under any natural advantage that it might possess?—It would not.

1202. It would not prevent its sending the sugar to this country, and competing with any other sugar-producing country in our own market?—No.

1203. And it would not prevent competition with our own producers?—No.

1204. Something has been said about the benefit to the consumer; do you not know, as a matter of fact, that all the endeavours, not only of the present administration but of the previous administration, in this sugar question, have been for years past directed to putting a stop to these bounties?—Certainly.

1205. Therefore, a countervailing duty would only have the effect of doing that which they have been endeavouring to do by negotiation?—It would.

1206. Do you believe that it is for the benefit of the consumer to buy any manufactured product under its cost price?—No, because eventually the trade must come to an end.

1207. And in that way the sources of supply would be diminished?—Decidedly.

1208. The consequence being an increased price to the consumer?—Yes.

1209. The honourable Member for Liskeard asked you some questions with reference to the duty on rags, and he suggested that the export duty on rags, against which our paper manufacturers wished to be protected, involved the same principle; you still consider, I suppose, that it does not involve the same principle?—No.

1210. Does the export duty on rags enable the paper manufactured from rags to be sold below its cost price?—No, quite the opposite.

1211. Does a bounty on exportation enable a manufacturer to sell below cost price?—It does.

1212. Therefore, so far as that goes, the two cases are exactly contrary?—Exactly contrary.

1213. Then an export duty on rags stimulates the production of other material from which to make paper, does it not?—Decidedly.

1214. And it also has the effect of opening out new markets for raw material?—It has.

1215. Therefore, in the end, by opening out new markets and probably stimulating the production of other material, the ultimate tendency would be to cheapen the raw material?—It did, I believe.

1216. A bounty upon export, so far from stimulating other production, would have the effect of extinguishing it, would it not?—It would have the effect of destroying it.

1217. Therefore, in the one case we have a duty which stimulates the growth of raw material, and in the other case we have a bounty

Chairman—continued.

which extinguishes the growth of raw material?—Yes.

1218. Therefore, from both those points of view the two cases are diametrically opposed?—Quite opposed.

1219. You were also examined upon the question of the growth of beet sugar in this country, and it was suggested to you that cane sugar was able to keep up competition with bounty-fed beet sugar; and I think in one of the questions it was suggested that the importation of cane sugar had really increased; have you any figures to show what is the importation of cane sugar now, and what was the importation of cane sugar a few years ago?—The importation of British West India sugar in the first 24 weeks of the year 1867 was 42,552 tons; in the first 24 weeks of 1879 the importation of British West India sugar amounted to 41,048 tons. In the first 24 weeks of the year 1867 the importation of beetroot sugar amounted to 9,477 tons; and in 1879 the importation of beetroot sugar amounted to 62,071 tons. That is to the port of London; but this really shows the same figures all over the country, and there is a statement here which perhaps you would like introduced; for instance, taking Cuba Muscovado sugar, which is a sugar that has been very much affected, in 1867 the quantity of Cuba Muscovado sugar imported amounted to 8,121 tons; and I find that this year we have imported 1,403 tons only. In fact Cuban sugar has almost disappeared.

1220. So that the importation of cane sugar has decreased since 1867?—It has.

1221. Even taking it that it has maintained about the same position as it held in 1867, is that any indication that cane sugar is able to keep up competition with bounty-fed beetroot sugar?—Not at all.

1222. Of course in growing cane sugar, a very large and expensive plant is required?—Yes.

1223. And it is well understood, I imagine, that growers will continue to grow even though they may make no profit, and even make a loss?—Yes; they struggle on for a time.

1224. In the belief that the complaint which now affects them will ultimately be remedied?—That is the case.

1225. And they would rather suffer even some amount of annual loss than altogether relinquish their plantations, and so entirely destroy the value of their plant?—That is the case.

1226. It cannot, therefore, be taken that, because the importation of cane sugar has not largely decreased, they are able to maintain a fair competition with beetroot sugar?—It cannot.

1227. Have you any doubt that, if some steps are not taken to put a stop to this bounty, we shall ultimately lose the benefit of our imports of West India sugar?—There is no doubt whatever of that. Taking my own case: this year I have used beetroot sugar longer this first season than ever I have done before; and I think there is every probability, looking forward to the season that is to come, that instead of working beetroot for eight months in the year, I shall work beetroot for 10 months in the year.

1228. What, in your opinion, would be the effect if we were to lose our supply of cane sugar?—In the summer time the price would increase immensely.

1229. Do

Chairman—continued.

1229. Do you think that, after the West India growers were driven out of the market by the bounty-fed beet, the bounty would continue to be paid?—No, certainly not, on no account.

1230. Obviously there would be no reason for their paying a bounty to compete against a supply which, by the bounty, they had extinguished, and which no longer existed?—Of course.

1231. And that would ultimately considerably raise the price to the consumers of this country, would it not?—It would.

1232. Do you wish to make any further statement?—I should like to put in the petition of the German sugar refiners to get the bounties on raw sugar diminished, and the bounties on refined sugar extended. There is a great deal of information in this document, showing exactly the position of the sugar industry in Germany at the present time.

1233. Does it give any information upon the question of bounties?—It does.

1234. What is the source of it?—It is taken out of the organ of the German sugar industry, dated the 13th of June 1879, and this is a translation of it.

1235. Do you wish to read a paragraph from it?—Yes. The document finishes in this way: "We certainly seek for help in the opposite direction, by means of a repeal, or, at least, a diminution of all premiums, to be obtained by international action; but this mode of proceeding is not only difficult, but also requires much time, whereas the position of refineries is such as seems to need speedy help."

1236. May I ask whether that is specially from sugar refiners or from sugar growers?—It is from sugar refiners. Some of these sugar refiners are also sugar manufacturers. (*The Paper was handed in.*) Then there is another thing that I should like introduced into the evidence, and that is this: the duty on molasses in America is 6½ cents per gallon, and the drawback on the treacle or syrup that comes from this molasses is 4 cents per gallon.

Mr. AUGUSTUS WILLIAM GADESSEN, called in; and Examined.

Chairman.

1247. You have been a large sugar refiner, I believe, in London?—I have.

1248. You were, I believe, brought up to the business of sugar refining?—Yes; my father was a sugar refiner before me, and I have been brought up to the business from my earliest years; I entered the sugar refining business in the year 1832.

1249. Your experience has not been limited to London, has it?—Certainly not. In my early days, the firm with which I was connected had establishments in Liverpool, Hull, and London, and I, having the practical management principally in my own hands, used to visit all those three places; therefore, I have certainly had a very extended experience in the business.

1250. Since when have you carried on business in London?—I came to London to permanently reside there in 1842, but I have been in London as a sugar refiner since the year 1837 or 1838.

1251. I think in 1842 you became a partner with Mr. Wainwright?—Yes. Mr. Wainwright, a gentleman of large business experience, joined me from Liverpool, and we commenced business

Chairman—continued.

1237. With reference to some evidence that you gave as to foreign spirits, the duty on foreign spirits being 10 s. 5 d., and the duty on British spirits being 10 s., if no countervailing duty existed, the German distiller would get 1 s. 10 d. per gallon, and not 1 s. 5 d., as at present?—Certainly; that is exactly how it stands.

1238. And, therefore, it would make a very serious difference to him, 5 d. upon 1 s. 5 d.?—Yes. I have a report in my pocket which shows that the price of German spirits in the market on Saturday was 1 s. 5 d. per gallon.

Mr. Orr Ewing.

1239. When did this system of bounties begin?—I am sorry that I cannot tell you the exact date.

1240. It has been a long time in existence, has it not?—Yes.

1241. Could you prepare, for the Committee, a statement showing the importation into this country of West India sugar from 1843 to the present time?—Yes.

1242. In 1843 I find the consumption of sugar per head was 16·54 lbs., whereas the consumption of sugar in 1878 was 60·97 lbs., which, as I stated on the last day when you gave evidence, amounts to nearly 400 per cent. of increase?—Yes; the increase is very large.

1243. Whilst at the same time the importation of West India sugar has been almost stationary?—Yes.

Mr. Stewart.

1244. What is the price per pound of French refined sugar sold in London?—In some localities it is sold at 3 d., in some localities at 3½ d., and in some localities at 4 d. per lb., according to the competition in the district.

1245. What is the same sugar sold at in Paris?—I know the difference is very great, but I cannot tell you exactly what it is.

1246. That is in consequence of the *octroi*, I presume?—Yes.

Chairman—continued.

in 1842, refining under the name of Wainwright and Gadesden. Mr. Wainwright was a man of very considerable business experience, and had the reputation of being a very able man of business indeed.

1252. I suppose from your circumstances, as to capital and otherwise, you consider that you were in a position to carry on business as a sugar refiner in a successful manner?—Yes; and, as a matter of fact, I did so up to the time when the French bounties became oppressive.

1253. After that you found it impossible any longer to carry on the trade profitably?—I did.

1254. Not because you were not able to compete with other countries on fair terms, but because of the bounty?—Entirely because of the bounty. My goods were equal, if not superior, to the French goods, and my business was carried on in the best possible manner.

1255. Your refinery is now standing idle, I believe?—My refinery is now standing idle, with the machinery in it, ready to go to work at a moment's notice.

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1256. How

Mr.
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Chairman—continued.

1256. How long has it been standing idle?—Since 1875.

1257. What is its capacity?—From 200 to 250 tons a week.

1258. I believe, so far as carrying on the business is concerned, you have sons who could have succeeded you, and you had every inducement to continue to carry it on?—Yes; I had one son in business with me, and one son was in a broker's office, preparing to join his brother. Those two sons are both stranded, and have been obliged to find occupation elsewhere, and, as a matter of fact, they have settled in Ceylon. It was, of course, a serious thing for me; more serious even than being driven out of the business on my own account, having three sons whom I expected to succeed me in the business, and having been driven out of the business, not from any fault of my own, but entirely through the action of these French bounties. My sons being thrown on my hands is a much more serious thing to me than the loss I have sustained in having to relinquish the business.

1259. That shows the great reluctance with which you gave up the business?—Yes, I struggled on to the very last.

1260. I believe you occupied a very prominent position amongst the refining body?—Yes; I was the Chairman of the London Sugar Refiners from the year 1864; in fact, I occupy that position at the present moment; and I also was the Chairman of the Committee of the Refiners of the United Kingdom from 1872 up to a recent date.

1261. In your capacity as chairman of the refining body, I suppose you are very well acquainted with the principal members of that body?—Yes, I am; and I may say that it has been a great mortification to me to see all my old friends driven out of business, one after the other; persons of high social position, with great intelligence and capital, and every means of carrying on business successfully. I have had the mortification of seeing them driven out one after the other, I being at last almost alone. I think, with the exception of Mr. Martineau's firm, there is no other firm left who were in business as refiners when I came to London in 1842; and it has naturally had a very depressing effect to see a large and prosperous trade prostrated as the sugar-refining trade has been.

1262. Of course many of those houses were of a very important nature?—Of a very large and important nature; many of them houses which had been handed down from father to son.

1263. Could you give us the names of any of them?—Mr. Davis, who occupied the position of chairman of the association, a man of very high social position and great ability; Mr. Fairie, Mr. Bowman, Craven & Bowman, Kirkpatrick & Balguy, Hall & Boyd, Dames & Bowman, and a great number of others. The whole of the old houses who were in business when I came to London have, in fact, been swept away, with the exception of Mr. Martineau's.

1264. And so far as your knowledge goes, not from any want of enterprise or any want of capital?—No; certainly not from any want of enterprise.

1265. Of course their capital became gradually diminished by the losses they sustained?—It did.

1266. Some of them, I understand, have

Chairman—continued.

voluntarily left the trade, with what money remained; and others have been ruined?—Yes; others have been ruined.

1267. You are aware of the steps which have been taken from time to time, to put an end to this system of bounties?—Yes; I am generally aware of them.

1268. Every means possible, so far as negotiations are concerned, have, in your opinion, been taken, both by the trade and by the Government?—Speaking from my own knowledge, a very large portion of my time was absorbed in carrying on these negotiations, in company with other members of the trade, so that I can fairly say that no steps have been left untaken that could fairly be taken to protect ourselves from the injurious position that we felt ourselves to be in.

1269. Do you believe that any system of saccharimetry, or of tests, would satisfactorily abolish the bounties which are now paid?—No; we have examined all the systems proposed most carefully, with a sincere desire to arrive at some solution of this difficulty; but we have been compelled to discard saccharimetry and other systems that have been proposed.

1270. Do you believe that the only means by which bounties can be abolished are the means which have been agreed to at more than one conference of the powers, viz., refining in bond?—Yes; we have come to the conclusion that that is the only system which would ensure anything like an extinction of the bounties.

1271. In 1862, I think, you gave evidence upon the question of refining in bond?—I did.

1272. At that time you were strongly averse to the system of refining in bond, were you not?—I was.

1273. In 1872, you were one of those who signed the memorial, or whatever it was, to the Government, agreeing to come under refining in bond, were you not?—I was. That was 10 years afterwards.

1274. When you signed this requisition, asking for the establishment of refining in bond, were you led to do so by any expectation that the sugar duties would be abolished?—Not in any way whatsoever; that was no element in the consideration.

1275. What was it that led you to change your mind upon the subject, between those two periods?—I do not wish to say one single word which would soften anything that I said at that time; but I may say, perhaps, in the first place, that when I gave my evidence then I had been recently driven out of a trade which had been carried on under the Excise system, and therefore, as I had been driven out of that trade with great loss, I naturally dreaded coming under any analogous system, in reference to sugar.

1276. May I ask what trade that was?—It was the manufacture of soap under the Excise.

1277. In the manufacture of soap under the Excise, there was an active intervention by the Excise officers within the manufactories, was there not?—There was.

1278. The officers were present, and the processes had to be carried on under their supervision?—Yes.

1279. I imagine that the circumstances of the case had greatly altered between 1862 and 1872?—They had greatly altered.

1280. In 1862, not only did you object to the increased

Chairman—continued.

increased expense which the supervision of officers would cause, but you had great doubts as to whether a system could be carried on which would not result in considerable frauds?—Yes, I had.

1281. Was it in your mind that the frauds which you were then afraid of, were more likely to occur in small houses than in large ones?—Yes; that was what I stated in evidence. At the time that I gave that evidence, there were in existence, together with the large refineries, a great number of small ones. In the interval between the two dates which I have given, a change had taken place in the trade; the smaller houses had been all wiped out of existence: so that the trade was carried on in a much larger way than it was at the time when I gave that evidence.

1282. Is it not a fact that the smaller houses, both here and on the Continent, have now disappeared?—To a great extent they have, and that element of difficulty and fear on my part has been in a great measure removed. In addition to that, I may say that the process has been very much expedited. At that time we used to keep part of our products on our floors for four weeks, which rendered the difficulties of stocktaking and everything of the kind very great. Now those four weeks are reduced to about four days by the universal introduction of the centrifugal machine. That of course assists very much indeed in the question of supervision, and the officer keeping an eye to the amount of stock on the premises.

1283. That affects the question very materially, so far as fraud is concerned, together with the fact that the smaller houses have now almost disappeared?—Yes.

1284. With reference to any difficulties under which the refining trade might be carried on in consequence of refining in bond; if, instead of internal supervision, a system such as was suggested and agreed to by the last Convention, were adopted, of watching the doors of sugar refiners, you would not have to contend with the difficulties inherent in working under the supervision of excise officers?—No; in considering the whole thing, we came to the conclusion that arrangements could be made whereby the supervision might be greatly reduced.

1285. Negotiations having failed to secure that which you desired, viz.; the abolition of bounties; do you think that if the alternative of a countervailing duty were placed before the Powers it would have the effect of establishing refining in bond?—I certainly think so.

1286. If France, Belgium, and Holland could be got to agree to a Convention establishing refining in bond, with a clause by which each of those countries should be bound to put a *surtax* upon sugar coming from countries which gave a bounty, do you believe that it would practically draw into the Convention all those countries who might at first be outside it?—Yes; I think there can be no doubt whatever about it.

1287. At the same time you do not believe that a countervailing duty itself would be opposed to the principles of free trade?—I do not think so.

1288. I suppose you do not think either that it is to the interest of the consumer that he should buy his sugar below its lowest producing price?—Not permanently, certainly.

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Chairman—continued.

1289. Supposing that that principle were agreed upon, do you see any practical difficulty in carrying it out?—I do not.

1290. You believe that, in practice, it would not have to be carried out at all; but that if it had to be carried out it would be against only one or two countries?—Yes.

1291. And in that case you do not think any practical difficulty would exist?—I do not see any practical difficulty.

Mr. Courtney.

1292. You gave evidence before Mr. Cardwell's Committee, did you not?—I did.

1293. You were then opposed to refining in bond, were you not?—I was.

1294. And you had had experience of what refining in bond meant in the case of soap?—I had.

1295. Why should there be less difficulty in applying this system of external supervision in the case of soap than in the case of sugar?—The difference in the manufacture is very great, to begin with.

1296. No doubt; but both soap and sugar are bulky commodities?—They are both of them bulky commodities.

1297. And neither the one nor the other could easily be smuggled out in small quantities?—No.

1298. So that one would suppose that, whilst the soap duty lasted, it might have been imposed upon the soap as it came out of the factory, just as you propose that the duty on sugar should be imposed?—Practically it was so. The moment that the soap was made, it was charged the duty.

1299. Still, for the sake of protecting the revenue, there was internal inspection?—Yes, everything was locked up; and if you wanted to begin your operations earlier than usual, you had to give 24 hours' notice, which constituted impediments in the carrying out of the trade.

1300. You felt them very irksome?—Very irksome.

1301. Do you think they impeded the progress of improvement in soap-boiling?—Yes; they did very materially, because you could not alter any part of the process without permission.

1302. If refining in bond had existed in a similar way in the case of sugar, would it not have impeded the progress of improvement in sugar refining?—Yes, if the same system had been adopted; but I do not think the same system would be needed, because soap is manufactured from a great number of different materials, whilst you only take the sugar in as sugar and refine it, separating the uncrystallisable portions from the crystallisable portions; the process is therefore a great deal simpler than in the case of soap. The manufacture of soap is a very compound process.

1303. But still I should have thought that the plan of taxing the resultant was as applicable in the one case as in the other?—It was as applicable.

1304. Why was it not tried; was it never suggested?—It was never suggested at that time. We were allowed to refine sugar in bond on giving bond to export all the products.

1305. Was that ever done?—Yes; I carried on that business, at least the firm which I was connected with carried on that business for about two years.

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1306. How

Mr.
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23 June
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Gadesden.
23 June
1879.

Mr. Courtney—continued.

1306. How did the Customs then secure that that bond was fulfilled?—They weighed everything in and everything out.

1307. That was before 1862?—Yes, before 1862.

1308. And yet you objected to general refining in bond in 1862?—I objected to it. I do not put it forward now as a system that would be altogether desirable; but having in view the one great point of preventing bounties upon sugar, I put it forward as the only system which, in my opinion, would bring about that end.

1309. That shoe of refining in bond would not pinch your feet at all now?—No, not now.

1310. It is a thing that could be very easily recommended to the foreign refiners?—Yes; but supposing that, through the necessities of the country, it became necessary to tax sugar again, which is not improbable, we look forward to the possibility of having to encounter that difficulty of refining in bond, in common with the refiners of other countries.

1311. Do you look upon that as likely?—I do not think it is at all improbable; it is certainly not impossible.

1312. Of course you were amongst those other sugar refiners who always watched every Budget when there was a surplus to dispose of?—Yes, always, very carefully.

1313. When Mr. Lowe gave away half the duty in 1872, it was the general opinion that the rest would soon follow, I think?—Provided that the prosperity of the country continued.

1314. Which was then expected?—Yes, I daresay it was expected. The country was in a very prosperous state in 1872.

1315. It was a general remark, I think, both in the House of Commons and elsewhere, that it would be scarcely worth while to maintain the remaining sugar duties?—But I may say, at the same time, that the idea of our escaping from the trammels of the system never for one moment came before the Committee. I can say that honestly and fearlessly. We examined the system solely with a view to arrive at something which would effect the purpose which we had in our view, which was our very existence.

1316. With respect to the foreign importation of sugar, you said, in answer to the Chairman, that if a Convention were established, plus an agreement to impose a countervailing duty, the bounties would practically be put an end to?—I think so.

1317. Would a Convention between the four Powers that have been considering the subject be worth anything without that clause?—Not entirely, so long as others outside did not come into it. But it would be worth something, because France, at the moment, is our chief competitor.

1318. But would you not immediately have a new competitor?—Yes, we should, in all probability.

1319. Germany and Austria?—Yes; they are both of them sugar-making countries.

1320. And the United States?—Yes.

1321. So that without the countervailing duty, you really could not get rid of this mischief?—Not entirely.

1322. Or without such a serious threat of it as was believed in?—Yes; we put it forward as a completion of the great work.

1323. In fact, the completion of the Convention arrived at between the four Powers you

Mr. Courtney—continued.

would regard as of temporary use only?—I should rather put it that we should regard it as a great alleviation.

1324. For the time?—Yes, for the time.

1325. It would be only worrying you to little purpose if it did not remain?—Yes.

1326. Do you think it would be easy, supposing, in the first place, that the agreement to impose a countervailing duty was established, for the four Powers, France, England, Holland, and Belgium, to come to an understanding as to what should be the exact countervailing duty applied to each Power outside the Convention?—I think it would be easy, to the extent that would be efficient. If you said that it would be necessary to countervail every particular country, perhaps it would be a little difficult; but if a system were adopted of putting on a sum which was supposed to cover the bounty in round numbers, it would be sufficient.

1327. If you made it prohibitive, of course that would bring them on their knees?—I have no desire to make it prohibitive. I should think that in this country 2s. 6d. per cwt. would be quite sufficient to answer the purpose.

1328. As against any country?—As against those four countries that we are speaking of now.

1329. But supposing that those four Powers had, amongst themselves, agreed to a Convention establishing refining in bond, which is the first difficulty, and then (which is the second difficulty) that they agreed to establish a countervailing duty against the other Powers outside it, what would be the duty that would be sufficient to prevent any other Power from giving a bounty?—I cannot answer that question in a way to afford useful information to the Committee, because I am not sufficiently aware of the system of either Germany or Austria as to be able to give an opinion on the subject.

1330. It would, however, be necessary for the four Powers to consider all those circumstances, would it not?—Yes.

1331. Unless they adopted the ready plan of establishing so high a duty as to be prohibitory?—I do not think that would be contemplated by anybody.

1332. Do you think there would be any repugnance to that in other countries?—I think there would be, in this country particularly.

1333. Do you agree with Mr. Martineau that the establishment of a scale of sugars with duties varying upon the scale, necessarily involves a bounty?—Yes; certainly I do.

1334. How long have you been of that opinion?—I think always.

1335. Did you think so in 1862?—Yes; I have no doubt that I did.

1336. Did you think that the complaints that the Demerara people were then making were well founded?—You must refresh my memory with what the complaints were, if you please.

1337. At that time, as you are aware, there was a scale of duties on the importation of sugar here?—Yes.

1338. And that was complained of by the people in Demerara, and Trinidad, and one or two other places, as operating as a bounty to the home refiners?—That was in 1862. I think you are perhaps pointing to the question which raised the inquiry in 1862.

1339. It was a question between an uniform duty

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duty and a scale of duties, was it not?—Yes, but you must bear in mind that that inquiry was instituted mainly by persons who were partial refiners.

1340. By persons who refined moist sugar?—Yes. For instance, the East India body, many of them, were partial sugar refiners, and wanted to get their sugar into this country at the same rate that inferior sugar, giving an inferior extract, was paying. It was the same with the Mauritius; they wanted the higher quality of sugar coming from the Mauritius admitted at a uniform duty, for the purpose of getting their sugar in at the same duty as the commoner sugars.

1341. Their allegation was that the sugar duty gave a bounty to refining at home?—Yes.

1342. They said, “under this system the man who refines at home is able to put his refined sugar in the market subject to a less Customs duty than we can put our refined sugar in the market?—Yes; but I think that was settled by the result of the inquiry in 1862.

1343. They could not well settle it?—It was settled in this way: that that allegation was not proved.

1344. You mean to say that the Committee held that it was not proved?—The Committee held that it was not proved.

1345. And you and the other home refiners were strongly of opinion that it could not be proved?—Yes.

1346. And now you are of opinion that the establishment of a scale of duties itself necessarily involves a bounty?—Yes; but as Mr. Martineau explained (and he is much more able to explain that than I am, more especially as I have been out of the trade for some little time now), if you have a scale of duties which will include three or four classes, and the duty is merely an average of that class, of course, if you select the higher numbers and reject the lower ones, you can get an advantage out of that system.

1347. It is impossible to make a classification so minute as to include every possible valuation?—Yes.

1348. Unfortunately Mr. Martineau did not give evidence before the Committee of 1862?—He did not.

1349. So that he is not in any way committed to the opinions which were then given by the refiners?—No.

1350. And he is free to say that refining in bond is always practicable?—Yes.

1351. But you did give evidence in 1862, before that Committee?—I did.

1352. And you did give evidence upon this point, about the scale of duties not being injurious to the Demerara and Mauritius producers?—It would have been very injurious if they had been allowed to send in their refined sugars at the same duty as the commoner sugars.

1353. I am quite of your opinion; but, on the other hand, there may have been some foundation for their charge, that the scale of duties which did exist gave you the power of putting refined sugar in the market at a less duty than they could put theirs?—Yes; that was a statement which they made, but which they did not prove.

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1354. The Committee did not hold that they had proved it?—They did not.

1355. But the Committee, I think, came to the conclusion that refining in bond was impracticable?—Yes, they did.

1356. So that the Committee erred in that particular, and they may have erred in the other?—I do not know.

1357. Are you of the same opinion as Mr. Duncan, that beet could be grown at home with commercial advantage?—It has been tried, but there has been no success.

1358. Do you think that under any circumstances it is likely to be successful?—No, I do not think so; I think it has been tried with sufficient energy and perseverance by Mr. Duncan, but without great success.

1359. You differ from that opinion?—I do.

1360. I suppose you admit, as a general principle, that it is an advantage to a community to get their wants satisfied as cheaply as possible?—I do.

1361. Even although that may be at the expense of some persons who may hitherto have been engaged in supplying them?—At my expense, for instance. It comes home to me painfully.

1362. But you admit that if sugar could be produced more cheaply than you have been able to produce it, it is an advantage to the community at large?—I cannot admit that, if you ask me to grasp the whole subject, because it may involve the gaining a temporary advantage for a possible permanent disadvantage.

1363. I will suggest this much to you, not as a thing that could happen, but as a thing that may be contemplated, that some sugar refiner in England had so economised and improved the process of refining that he could supply the consumer at a less price than you could; you will admit that in that case it would be an advantage to the consumer?—No doubt.

1364. If that could be produced in a permanent and trustworthy way, although you would suffer the country would benefit, would it not?—Yes, I admit that perfectly.

1365. And, of course, you admit also that the real cause of the pressure which has hitherto been felt is that sugar has been produced and supplied more cheaply than the English refiner can produce it?—Yes.

1366. But you think that is not likely to be permanent?—I do not see how it is possible for it to be permanent; because, if you extinguish, as that process must inevitably extinguish, the supply from the West India Islands, when that supply is out of the way, of course the market will rise, and they will have it all their own way then.

1367. Do you think it would be an absolute extinction of that supply?—I think if it continues in its present state the great portion of the West Indies must go out of cultivation.

1368. But at present has the supply perceptibly declined?—I have not the figures before me, and therefore, I cannot answer the question.

1369. Mr. Duncan gave us some just now, and he named 42,000 tons in the first 24 weeks of 1867, as against 41,000 tons for the first 24 weeks of 1879?—Yes, but I cannot say what position slave-grown sugar would occupy in those figures of Mr. Duncan. I am not responsible for those figures

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figures in any way. I only know, as a matter of fact, that all the parties engaged in growing sugar in the West Indies are gradually losing their money, and they are at the present time gradually giving it up.

1370. The sources of supply are pretty numerous both in the East and in European countries, are they not?—Yes.

1371. Do you think there is any likelihood of the extinction of competition between those countries?—Do you mean the extinction of competition between beet and cane sugar?

1372. You suggested that cane might be extinguished?—I do.

1373. Do you think there is any likelihood of the extinction of competition between beet-producing countries?—That is a large question, and it requires more knowledge than I possess to deal with it.

1374. As a matter of fact, we have a good many anchors, have we not?—We have two anchors at present, cane and beet, and we see that beet is beating cane.

1375. In beet itself we have also a great many anchors in different countries, France, Germany, Austria, and, I am told, Russia is producing beet?—Yes, Russia produces beet.

1376. And in the United States cane is produced?—Yes, cane is produced in Louisiana under very special and favourable circumstances.

1377. What are they?—I think there is no duty upon sugar grown from cane in the United States.

1378. In spite of that, cane sugar is competing in the United States with the other sugars, especially in the North, where they make a good deal of maple sugar?—Yes.

1379. Are we likely to lose the advantage of the East Indian supply?—I would rather that question was answered by parties more competent to deal with it than I am.

1380. Then there is the Mauritius?—Yes.

1381. Are you aware that the Government, in answer to a memorial in 1876, said that the adoption of any action such as you propose would be a reversal of their commercial policy, which had been long settled?—Was that in reference to the countervailing duty? My recollection is a little rusty upon these points.

1382. In reference to the imposition of a countervailing duty, the Treasury said that the proposal "rests upon a principle which the Government of this country could not admit without reversing its whole system of commercial policy. If the doctrine was still maintained that

we should adopt fiscal measures for commercial objects, and should attempt to measure an engine for assisting producers to compete on what may be equal terms with their foreign competitors, the present case might undoubtedly be a very proper one for the application of the principle; but it cannot be doubted that the Government were to act on this in the present case, it would soon be to do so in other cases also; they are of opinion that the Government should take a step unless it to review the whole code of the legislation of this country." Do you think this involves any serious difficulty? as I look at the matter from my view, I think that a countervailing

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duty is entirely in the spirit of free trade, and therefore I cannot argue with those remarks.

1383. But I think you have admitted that the country, as a whole, would be benefited if we could have reasonable security that we could obtain, permanently the supplies which we now obtain of refined beet sugar, and which you say are destroying the West Indian supply?—You mean to say that if the price of sugar to the consumer could be kept as at present, they would be in as happy a condition in reference to the question of sugar as they could be?

1384. Yes. It does not matter what stuff it is made of, whether it is made out of beetroot or out of cane, so long as we can get the sugar, and can get it permanently and so cheaply as we have got it?—Yes; but that would involve the continuance of bounties. Now we are getting it at a price below its cost. You say that is a happy condition for the consumer. We say that that is not a system which is likely to continue for ever; and in the meantime you are killing other sources of supply.

1385. It depends, of course, upon whether the threat that the other sources will be killed is a serious threat, and whether they would be capable of being revived?—I think the West India body will be able to answer that question better than I can.

1386. Do you think we get the whole benefit of the bounties involved in the French drawback; supposing that you put 75 francs per ton as the amount of the bounty involved in the French drawback?—I should think we get nearly the whole benefit.

1387. How do you work it out?—I work it out in this way: supposing that a refiner in Paris and a refiner in London is equally skilful, and that the refiner in Paris gets 3 s. per cwt. bounty from his Government, he is able to sell that sugar, say to the extent of 2 s. 6 d. per cwt., cheaper than he otherwise would do. We buy it at 2 s. 6 d. cheaper, and there are only the expenses of transit to take off.

1388. But supposing that 1 s. 6 d. would be sufficient to secure to him the command of our market, and that he is able to get 2 s. 6 d., that would greatly stimulate the exportation from France here, would it not?—Yes.

1389. It would increase the quantity of French sugar put upon our markets?—But the French have practically got the whole market. The quantity of refined sugar which is now manufactured in this country is trifling compared with the whole quantity imported.

1390. What are the figures?—I have not got the figures by me now.

1391. Mr. Martineau said, I think, that we imported about 140,000 tons a year from France?—Yes, so that you may consider that really they have got the command of the market.

1392. But it is clear that, in consequence of that, there is a good deal more beet grown in France than otherwise would have been grown?—If the trade is stimulated by the market they get here it is possible that it may be stimulated to a certain extent by that process.

1393. They get rid of a certain quantity of sugar in this market under the operation of the bounty, do they not?—Yes, they do.

1394. Then it must follow that they produce more sugar in France than they otherwise would produce,

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produce, because they not only supply themselves, but they supply us?—Yes.

1395. The breadth of land laid down in beet must, of course, be increased in consequence?—It is increasing.

1396. Would not the cost of production be increased in consequence?—No, I do not think the cost of production is increased in consequence.

1397. You begin with the best beet land, and you have to go to the next best, and you get it under more difficult conditions, do you not?—Yes.

1398. Some of this bounty might reasonably be expected, I presume, to pass to the landowner?—Yes.

1399. A part of it comes to us in reduced price, and part of it goes to the increased cost of production in consequence of the increased breadth of production; is not that so?—Yes, it is possible that the landowners in France may get some small portion of the advantage.

1400. May you not go farther and say that it must be so?—He must get a share, I think.

1401. And it would be very difficult, would it not, to say what share he got and what share we got?—Yes.

Mr. Orr Ewing.

1402. When was the duty upon soap given up?—That is going back a good many years; I should think about the year 1840, or 1841, or 1842.

1403. You were then a soap manufacturer, were you not?—I was.

1404. And you gave it up because of being under the Excise?—Yes, because the trade was considered unprofitable on account of the price being reduced by what was called running the duty.

1405. Did you think that the regulations of the Excise were unnecessarily stringent?—No.

1406. They were absolutely necessary?—They were absolutely necessary.

1407. And you were also against refining in bond?—I was, for the same reason; that having suffered from being under the Excise in one business, I did not like to put on shackles in another business, and to come again under the Excise.

1408. But are we under the same circumstances now as we were then; do you see your way to sugar being refined in bond without adding to the cost of production?—Yes, without materially adding to the expense.

1409. So that you have changed your opinion?—I have, owing to the change of circumstances.

1410. You were in favour of the classification of sugar as against representations of the West India growers?—Yes.

1411. The West Indians, I think, wanted a uniform duty?—The party who promoted that inquiry in 1862 were principally from the Mauritius and the East Indies, and those parties are what we call semi-refiners. Their proposal was to have their sugars introduced upon a uniform system of duty. The proposal that they made was, "If you will not give us a uniform duty will you take refining in bond?"

1412. Whilst it may be very difficult to classify sugars very accurately as to the saccharine matter, a uniform duty would be manifestly unjust, would it not?—Manifestly unjust.

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Mr. Orr Ewing—continued.

1413. And it would be totally destructive of the low classes of sugar?—Entirely so. In fact, you may state it in this way: the East Indian refiner was buying the lowest classes of sugar, and refining it, and sending it over to this country, and therefore competing with us in that way.

1414. You would not object to any sugar being imported here that was more economically made than you could make it if that imported sugar had no advantage in the shape of bounties?—Certainly not.

1415. In fact, it would be a total departure from the principle of free trade to put on any countervailing duty, in order to meet any natural advantages that any country, or any individual, might have?—Yes, if they were natural advantages. We complain of the artificial bounties which put them in a position which they ought not to occupy. If they were natural advantages we should have nothing to say.

1416. I suppose you have no doubt that, although cane-growing countries were stopped in the production of cane sugar, the rest of the world might supply all the wants of the world with beetroot sugar?—Yes, it is possible that they might; it is only a question of price. If you stimulate beetroot growing by a higher price, of course, as Mr. Courtney said, more land of lower quality might then be brought under cultivation for the beetroot.

1417. That is rather a hypothetical case, is it not; there may be plenty of land undeveloped in many parts of the world which might come in for the growth of beetroot sugar; I am not aware that there is any deficiency of land for the purpose; I suppose that the manufacturer on the Continent have their crops of beetroot grown as near as possible to their works, so as to save cartage?—Yes, so as to save carriage. They no doubt get the growers to grow the sort of roots which suits their purpose best.

1418. Looking at the large number of refiners in Germany and France and Austria, the works must be very small; the refineries cannot be of any great size?—That is a question which I have no special knowledge upon, and I could not answer it.

1419. Whilst you think that this country might get sugar, even permanently, without having cane sugar, I suppose you are of opinion that it would be unjust on the part of this country to allow great interests to suffer by the continuation of bounties which gave Continental manufacturers the means of destroying that industry?—It would be unjust and impolitic. It is clearly impolitic to throw the whole supply of sugar into the hands of one class who carry on the manufacture in one particular way.

1420. It would be impolitic, would it not, to allow any industry in this country to be ruined, or to allow our colonial possessions to be injured by artificial means?—There is no doubt that it would be both unjust and impolitic.

1421. If this system of bounties was extended to any other trade in this country, such as calico printing, and if bounties were given to the calico printers in France, they would soon ruin that trade also, would they not?—Take the case of America: supposing that the Americans were to deal with the question of cotton as the French people are dealing with the question of sugar, the Committee can easily imagine the state of things

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that would come about in Lancashire and all the manufacturing districts. If you apply it in the one case to sugar, you can apply it to another country in the case of such a material as cotton, which is a larger industry than sugar. We unfortunately, being a small industry, have been oppressed without the country taking any particular notice of it.

1422. You seem to be of opinion that we could not grow beetroot in this country successfully to compete with the beetroot of the Continent?—Everybody was disappointed with the experiments which were made. There have been two or three large experiments made, one by Mr. Duncan and another by a gentleman in Berkshire, who carried on beetroot growing on a large scale; but I suppose there are difficulties in the way which have prevented that process being carried on any further.

1423. Is it not the case, with regard to all agricultural products and cereals in this country, that we grow very nearly double the quantity per acre that is grown in France?—I should not have thought it, but I have no knowledge upon the subject.

1424. You have no knowledge of the growth of beetroot here?—I have only the knowledge that I have gained in going down to see the experiments in the two places in which the experiments were carried on.

1425. You have never cultivated any beetroot yourself?—Yes, I have done it, but merely to ascertain the weight that I could grow per acre.

1426. You would not profess to give your opinion, as opposed to that of Mr. Duncan, who has carried it on for some time?—No, I would not for a moment do so.

1427. The fact is, that you have no information upon the subject?—I have not.

1428. But in all these experiments that have been made with beetroot, it has been loaded with the bounty which beetroot sugar obtains on the Continent?—Yes, it has, no doubt.

1429. Mr. Duncan admits that it is not very profitable at present, but he says, that if the bounty is done away with, he believes that it will be profitable to grow beetroot in this country; have you any reason to doubt his evidence?—No, I have no knowledge upon the subject, and therefore I ought not to attempt to answer the question.

Mr. Thornhill.

1430. I understood you to say, that you think that if this state of things goes on, the West India sugar trade will eventually be entirely stopped?—I think so.

1431. Would that only refer to the West India sugar trade, or would it refer to the East India sugar trade also?—I should think you may take it as referring to the East India sugar trade also.

1432. In the event of the West India cane-sugar trade being entirely stopped, do you think the consumer would be in a worse position, as regards price, than if the Convention for refining in bond and the countervailing duty which we propose were agreed to?—I do not think he would be in a worse position at all.

1433. With regard to beetroot sugar, I think two or three years ago, the beetroot crop was a very bad one?—Yes.

Mr. Thornhill—continued.

1434. In the event of the trade in cane sugar being stopped, and if the beetroot crop was to fail also, what do you suppose the consumer would have to fall back upon?—In answer to a former question, I said that it was impolitic to throw the source of the supply of sugar into one channel. It is far better for the consumer that the area should be as extended as possible.

1435. On the ground that it is better to have two strings to your bow?—Certainly.

1436. With regard to growing beetroot, do you think that the reason why it fails in England is owing to the climate?—There are a great many difficulties in the way of growing beetroot in England which would have to be overcome. There is the question of covenants in leases, for instance; of course, a farmer is under covenant now that he must not sell his roots; all those difficulties would have to be overcome. It is not an easy matter to try the experiment in England upon a very large scale, and therefore I should prefer not to answer the question.

Mr. Morley.

1437. Were you ever connected with the silk trade?—No.

1438. Then you were not aware of the fact that during the existence of the duty on the importation of silk, our Government gave a bounty on the export of silk goods?—No, I was not aware of that.

1439. You have referred to cotton, what analogy is there between cotton and sugar?—There is no analogy whatever; but I say that if a country which produces sugar, gives an export bounty upon the manufactured article, then you may take it as an analogous case. America, which produces cotton extensively, might choose to give an export bounty upon the articles manufactured from cotton.

1440. They would only do us unmitigated good if they would give a bounty on the exportation of raw cotton?—I referred to the manufactured article as analogous to refined sugar.

1441. I think I agree with you that the bounty is absolutely outside the free trade argument?—It is quite outside it.

1442. Have you endeavoured to work out in your mind, how the countervailing duty would be secured?—Yes, I do not see any difficulty in carrying it out.

1443. Is there no country through which the French sugar might be sent that does not now produce it; supposing that we were to refuse to receive the French sugar, except on a countervailing duty, could they not sell the sugar to some other country, we paying the price for it?—The cost of that would be so great as to do away with the advantages. We have gone through the question, and we have arrived at that solution of it.

1444. Will you allow me to ask you if my impression about this bounty is correct; I suppose the French Government affect to return in the shape of bounty only the duty which they have received?—Yes, that is the theory.

1445. But, owing to miserable mismanagement in arriving at the proper duty to charge, which I think one of the witnesses has fully explained to us, the manufacturer gets an advantage of something like 10 per cent.?—Yes, he does.

1446. Then the Government are really deceiving themselves as well as injuring us?—I do

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Mr. Morley—continued.

not think so, because I think there can be no doubt that they are aware of the fact now.

1447. Their object is to promote the growth of the beet?—That is so; that is my belief, at all events.

1448. I think you said you did not quite concur in the recommendation that we should urge refining in bond; was I correct?—No, I do urge refining in bond.

1449. You would have either that or a countervailing duty if you could?—I would have both, unless you could get all countries to refine in bond.

1450. You said that we are now getting sugar below cost; how do you prove that?—I prove it in this way; that we can refine sugar more cheaply, in fact, than they can in Paris, but we cannot refine sugar profitably at the present price of refined sugar. We can ascertain where the French refiners get their advantage; it is palpable to us; therefore we prove that there is a bounty, and the bounty is acknowledged, and therefore we think that is sufficient evidence to show that the sugar is produced under circumstances such as we state.

1451. That is to say, the difference between their price and ours is more than the bounty they get?—Not more than the bounty.

1452. Taking the average of sugar, what percentage does the bounty amount to?—We will take it as you say, if you like, at 10 per cent.

1453. We are able, as I understand you, to manufacture within 10 per cent. of their price, or perhaps even more?—We can manufacture as cheaply or more cheaply, than they can.

1454. I quite understand then, that if the question of bounty or drawback, or whatever it may be called, is out of the way, you are prepared to compete with the French and have no fear of competition?—Not the remotest.

1455. There is no misgiving on your part?—Not the smallest in the world.

1456. Have you ascertained what the expense of sending sugar here through another country would be; I do not know what the condition of Spain is in that respect; do they manufacture sugar?—They refine sugar to a very small extent.

1457. So that if a Spanish merchant were to purchase French sugar, which could be done in Spanish bottoms without its landing, and it were sent here, it is your impression that the expense of that transaction would be greater than the bounty?—Spain is very near, no doubt. I should think that those extra expenses might amount to 1 s. 6 d., that is 1 s. 6 d. more than the direct carriage between Paris and London. That would put them to a disadvantage of 1 s. 6 d. If it is true that other parties get a little pull out of this duty, the 1 s. 6 d., although not so much as we ought to have, would give us that amount of protection as against the bounty, at all events.

Mr. James Corrie.

1458. Are you aware whether we get any sugar now from the East Indies?—I am out of the trade now, and therefore I cannot answer that question. Others who are in the trade and who will follow me, will be able to answer that question perfectly.

1459. I presume you are not aware whether the quantity from the Mauritius has increased or decreased?—No, those are questions that I would rather not answer.

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Mr. James Corrie—continued.

1460. Do the Factory and Workshops Regulation affect the sugar industries in this country?—No, not at all.

1461. So that you have nothing to complain of in reference to the shortening of hours in that trade?—Nothing whatever. The trade is carried on in this country under very favourable circumstances in all respects.

Mr. Stewart.

1462. I suppose that your sugar refinery was simply for turning out loaf sugar?—Only for turning out loaf sugar. I might, perhaps, be allowed to say one word in reference to that, because it might be considered by the Committee that, whilst other refiners were carrying on a trade in another class of sugar, the wonder is that I did not alter my refinery and go into that other trade. It might be said, "Why did you not alter your arrangements, and go into the other trade which others were carrying on?" My answer is simply this: I should have done that at very considerable cost; I should have had to make the sacrifice of the greater portion of my plant; and then I should have no security that the French might not alter their arrangements, so as to allow a bounty also upon the softer kinds of sugar. I calculated that at the time, and thought that the more prudent course was to give it up.

1463. There are many who see a solution of this difficulty in getting those countries that compete with us to refine in bond; and many see a difficulty in applying the countervailing duty; as a British refiner, you saw the difficulty of a system of refining in bond in 1862?—Yes; you may say that there was no sufficient reason in 1862 why the trade should be asked to come under such a system.

1464. Can you tell us whether there would be a similar objection on the part of the Paris refiners to adopt that system?—I understand that the Paris refiners are quite willing to adopt the system, so that there is no difficulty upon that head.

Mr. Morley.

1465. If the bounty was really a return of the duty already paid, you could not complain?—No, certainly not; we could not complain of the carrying out of any system which was fair and equitable; but we do not think it is fair and equitable to give a bounty, as against our carrying on our trade here.

1466. But the bounty professes to be a return of duty already paid for revenue purposes, as against the French consuming population; is not that so?—Yes, that is what it professes to be, but it is acknowledged that it is not so.

1467. If it were really that, you could not complain?—No, certainly not.

1468. Because that would bring the competition of the refiners in France against the refiners in England?—Yes.

1469. Is it not worth while, I was going to say, to make any conceivable effort to induce the French Government to get the proper duty from the manufacturers of sugar, in order that the bounty might be a simple return to the natural production of the sugar?—The answer is this: that, for years past, we have been endeavouring to obtain that concession from the French Government, but have failed. They came under a Convention,

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vention, in 1864, to do that very thing, but they have failed to do it.

1470. It would make their sugar duty more effectual and more productive, would it not?—We have put it before them in every possible shape.

Chairman.

1471. With reference to some questions which were put to you by the honourable Member for Liskeard, as to any system of rearranging the types, do you agree with this opinion, which is expressed in a Paper before us by Mr. Kennedy, the permanent head of the Commercial Department at the Foreign Office, who has paid great attention to this sugar question: "It does not seem possible, except under a system of manufacturing and refining in bond, altogether to exclude bounties upon exportation"?—Yes, I agree with that entirely.

1472. That is tantamount to saying that no system of tests will be effectual, is it not?—It is.

1473. Reference was also made by the honourable Member for Liskeard to a Treasury communication of October 1876, that the proposal of a countervailing duty "rests upon a principle which the Government of this country could not admit, without reversing its whole system of commercial policy"; it goes on further to say, "but it cannot be doubted that, if the Government were to act on this doctrine in the present case, it would soon be called upon to do so in other cases also"; does not that, in your opinion, show that this letter is written under an entire misconception?—Yes, I think so.

1474. Is there any other industry which is affected in the same way?—Not that I am aware of.

1475. Is there any other manufactured product that comes into this country with a bounty?—Not that I am aware of.

1476. Therefore it is evident that that letter was written with a view that other industries, whose products do not receive a bounty, should desire protection?—Yes.

1477. The sugar manufacturers of this country do not desire protection?—We do not.

1478. And, therefore, there is no ground for saying that if the Government were to act upon this doctrine in the present case, it would soon be called upon to do so in other cases also?—I do not see any other cases in which it would be called upon to do so.

1479. Do you agree with this remark of Mr. Walpole, who was our delegate at the conferences with reference to that very statement: "so far as I am aware the sugar industry in this country is the only one which has been attacked by the system of export bounties, and although if a countervailing duty were imposed in the case of sugar Her Majesty's Government would, no doubt, be called upon to adopt a similar course in the event of foreign Governments granting bounties on other articles, it may be a question for consideration whether a code of commercial policy which is based upon free-trade principles might not with advantage be applied in such a manner as not under any circumstances to preclude British industry from its benefits"?—I do.

1480. Some of the questions put by the honourable Member for Liskeard were directed to the benefit to the consumer; do you agree with this remark of the Chancellor of the Ex-

Chairman—continued.

chequer, in answer to a deputation: "He knew it had been said, sometimes he had seen it put strongly in the journals, that if foreign countries chose to pay bounties or anything in the nature of bounties on the sugar which they exported, and thereby supplied us with an article cheaper than it would otherwise be, we, as a nation, had nothing to do but to take advantage of their folly, and that we need not trouble ourselves as to the effect it had on this or that particular trade; he wished to say that he entirely dissented from that view; he did not think that we ought to comfort ourselves with arguments such as those; in general he agreed in principle with what had been said by so many there present. He agreed in what had been so well said by Mr. Sampson Lloyd that we ought not by any legislative enactment to interfere to prevent other countries making use of their natural advantages to supply us with the products which they could supply more advantageously than we could; but that principle did not apply to a case in which by legislative action on the part of a foreign Government by any artificial action on their part they could supply us with an article which if things were left to their natural courses we could supply as cheaply or more cheaply ourselves"?—I do, entirely.

1481. Do you agree with what Lord Aberdare said in reference to this subject, viz.: "Of course, it was an advantage to this country to reap the benefit of cheaper productions in other countries, but the effect of these large bonuses to French manufacturers was this, that they are rapidly destroying the refining industry in this country; there were large manufactories already closed; if this continued they would find that the present refiners of sugar would cease to exist, and the British consumer would find that instead of a decrease there would be an increase in the price of sugar; it was, therefore, of interest to the British consumer that these absurd and extravagant bonuses on French sugar should cease"?—Entirely.

1482. Do you agree with the following remark of Lord Derby: "I quite agree, especially with what was said by one gentleman who addressed us as to the fact that cheapness was not, in the long run, likely to be promoted by this system of bounties, or that, at the utmost, a temporary artificial cheapness would be obtained which might be followed by a permanent enhancement of the price"?—I do.

1483. Do you agree with this remark of Mr. Leone Levi, who, you are aware, is a great political economist: "Nor can it in the end prove satisfactory even to the consumer in this country to enjoy even the benefit of extraordinary cheapness if under the operation of such exceptional legislation, and a fallacious system of bounties, one by one, all the refiners in England and Scotland should be compelled to close their works, and so leave the whole British market for refined sugar a complete monopoly for the French refiners"?—I agree with that.

1484. A good deal has been said about the difficulties which are supposed to exist with regard to the question of refining in bond, and our difficulty in persuading other nations to agree to it; but, as a matter of fact, are you not aware that refining in bond has been agreed to by the French Assembly, the Belgian Assembly, and practically by the Dutch Assembly?—Yes, I am aware of that.

1485. The

Chairman—continued.

1485. The honourable Member for Liskeard put a question to you which introduced a word to which I wish to draw your attention; he asked you whether it was not for the benefit of the consumer in this country that we should have sugar from countries where it could be produced most cheaply; as a matter of fact, the sugar which comes here under the action of the bounty is not produced more cheaply than we can produce it, is it?—Certainly not, naturally.

1486. And I may take it that neither raw sugar nor refined sugar is sold here more cheaply, because it is produced more cheaply?—Certainly not.

1487. It is sold here more cheaply, because it is sold with a bounty?—Yes.

1488. The honourable Member for Liskeard put a question to you with reference to the last Convention that was agreed to, and he asked you whether, from your point of view, that Convention not having in it a clause stipulating for a countervailing duty in the case of sugar coming from countries where the sugar was bounty fed, would not in the long run affect your object; you said that, although it would affect your object to a certain extent now, no doubt in the future it might not do so; but is it not a matter of fact that there was an article in that Convention which pointed to a countervailing duty, viz., Article IX., which is as follows: "In the event of bounties, direct or indirect, being granted by other countries on the exportation of raw or refined sugar, and becoming compromising for the protection of one or other of the high contracting parties, a new understanding might be promoted in order to consider in concert as to the measures of defence which might be taken"?—I had, for the moment, forgotten that.

1489. In your opinion, is there any other measure of defence, except one of these two things: a countervailing duty, or excluding the sugar?—No, I see no other commercial defence.

1490. It could only have been to such a measure of defence that that article was directed?—That must have been the object in view at the time.

1491. You are aware that that convention received the assent of the Government?—Yes.

1492. And it was pressed upon the other Governments to be ratified?—It was.

1493. You spoke of there having been no success in the growing of beet in this country; but do you not think it exceedingly probable that the want of success is owing to the fact that, in consequence of the bounty, the growers here are unable to get a fair market price for it?—I really do not think that sufficient experiments have been made in this country to enable anyone to give any reliable opinion on that point.

1494. At any rate you would say that, in consequence of the bounty, any attempt to grow beetroot here as a profitable industry here has not had fair play?—No, it is not had fair play.

1495. With reference to the question of the increased cost of producing beetroot sugar on the Continent, in consequence of, first, the fine land, and then the inferior land being taken into cultivation, is it not a fact that other circumstances, in addition to the quantity of the land, have to be taken into account in growing beetroot; for instance, the locality in which there are beetroot sugar factories is usually the locality where most of the beetroot is grown?—You must have the

Chairman—continued.

factory near to the land, or else you could not grow it.

1496. Therefore, given a number of beetroot factories, it is the land immediately in the neighbourhood of those factories on which the beetroot is grown, in order to avoid the cost of carriage, which is a very large item in the cost of growth?—A very large item.

1497. You were asked as to the question of refining in bond, and a question was put to you as to whether, if the system of refining in bond were established on the Continent, it would pinch you now, and as to whether that might not, to some extent, account for your change of opinion between 1862 and now; but, as a matter of fact, you were one of those who, in 1872, desired to be placed under bond?—Yes, certainly.

Mr. Courtney.

1498. With respect to those authorities which were quoted by the honourable Chairman, you still adhere to the opinion that if we could be certain of a permanent supply of sugar more cheaply from French and other foreign producers than from sugar refiners at home, it would be a benefit to the consumer?—That is to say, if you could ensure the practice of giving bounties.

1499. If you could ensure its permanency in any way?—There can be but one answer to that question. If foreign countries chose to increase the bounty two or three fold, and the consumer could take a long lease of such a practice as that, it might be a benefit to him; but it is not probable, or possible, that such a continuance of folly could be persevered in.

1500. You do not join in the contemplation of the mere extinction of sugar refining at home being necessarily an injury to this country?—I do, decidedly. If I could answer that in the affirmative, upon that ground you could extinguish all the industries in the country.

1501. I am supposing that sugar refining is extinguished in consequence of the greater permanent cheapness of the sugar sent to us from abroad?—It depends upon whether it is a natural cheapness or not. So far as I understand the scope of your question, it is very extensive; but, first of all, I must conceive that you could guarantee the continuance of bounties by foreign countries, because, unless you could conceive that that as a possibility, I could not answer the question. I think it is a very unfortunate thing that a large industry like sugar refining should be done away with. It gives large employment to all classes; and if you are for a moment to conceive that all industries could be extinguished in this country, and only cheapness taken into consideration, then I could answer the question satisfactorily. But you must give employment to the people, and therefore you must have occupation for them. I cannot conceive the doing away with a large occupation, employing many people, being beneficial.

1502. I wish to put aside all debateable questions; we agreed that we could not calculate how much of the bounty we got, and how much went to the French landowner?—No; at least, I did not answer the question. I daresay there are others to follow me who will be able to speak upon these points with greater exactness than I could.

1503. Therefore, I wished to put to you a question upon conditions as to which we might be agreed;

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agreed; supposing that we could be certain of a continuous permanent supply of sugar from foreign producers more cheaply than we could get it from the home producers, would it not be a benefit to the country at large to obtain it from the foreign producers?—Yes; but your question involves the consideration of the point as to the bounty.

1504. But I put it as an abstract question; supposing that the thing came more cheaply?—If the foreigner could refine sugar more cheaply than we could we should be quite satisfied to be put out of existence at once.

1505. The mere extinction of itself would not necessarily involve a national loss?—No, if it could be brought about through natural circumstances.

1506. Another question which I wish to ask you is about that clause in the Convention; do you understand that we are in any way committed by that to the establishment of a compensatory duty?—I think that clause, if it had been assented to by all countries, would have committed this country to consider that question, and to carry it out if necessary.

1507. These are the words of the clause: "In the event of bounties, direct or indirect, being granted by other countries on the exportation of raw or refined sugar and becoming compromising, for the protection of one or other of the high contracting parties, a new understanding might be promoted in order to consider in concert as to the measures of defence which might be taken." That leaves the whole thing open, does it not?—I had forgotten the word "might"; I had not the words before me at the moment.

1508. The fact is that nobody is committed to anything, except that they shall talk over the matter?—There is no committal there; I think it is fair to say that such a condition of circumstances was contemplated at the time when that clause was penned; that a state of things might arise when it would be absolutely necessary that the contracting parties should receive some protection against unfair competition of that kind.

1509. I would not put it quite so high as that; circumstances might arise in which it might be desirable to reconsider the question?—Yes, but with a view; I think you must take that into consideration.

Mr. JOHN NEILL, called in; and Examined.

Chairman.

Mr. Neill.

1521. You are a Sugar Refiner in Greenock, are you not?—I am.

1522. You are a member of the Scottish Sugar Refiners' Association, I believe?—Yes.

1523. And also of the British Sugar Refiners' Committee?—Yes.

1524. When did the firm with which you are connected commence to refine sugar?—About 1853, I think.

1525. You did not join it so early as that, I believe?—No; not until 1863. I have been a refiner myself since 1863.

1526. And of course you understand thoroughly the nature of the refining trade in Scotland?—I do.

1527. How many sugar refineries are there in Greenock?—There are, I think, 14 in Greenock just now; there is one in Leith, and there are

Mr. Morley.

1510. If the permanence of the supply of French refined sugar is contingent upon large grants by the French Government, you could not consider that that supply is likely to be very permanent?—No.

1511. It must be subject to contingencies that would expose us to great dangers, must it not?—Of course.

1512. And if our refiners were excluded from the market by being beaten, the English consumer would then be exposed to any price that the foreign refiners chose to charge?—No doubt.

1513. And we should not have the security of our own refiners to fall back upon?—No.

Chairman.

1514. When you said that if any article could be introduced into this country that could be grown more cheaply abroad, it would not be a national loss; you meant, I presume, naturally more cheaply?—Yes.

Mr. Thornhill.

1515. I think you said that two or three years ago the beetroot crop on the Continent failed to a certain extent?—It did; but that is not in my evidence.

1516. If that was to happen again you could not look for a permanent certain supply of sugar from abroad to meet all our wants, could you?—Of course when the whole supply of the world is produced from one small area, that one small area may be affected by circumstances; and it is far wiser to increase the area of your supply than to contract it.

1517. You could not say, could you, that you would look forward to beetroot sugar as being a permanent certain supply of sugar from abroad?—No, I should say that it would be decidedly wiser to have a larger area of supply.

1518. If the area of supply failed sugar might be at famine prices?—It might be driven up to a very high price.

Chairman.

1519. The honourable Member for Liskeard mentioned France as one of those countries on which we could fall back for a beetroot supply; France gives no bounty upon raw sugar, does she?—She does not.

1520. They make their sugar in bond, do they not?—It is all made in bond.

Chairman—continued.

two in Glasgow; so that there are 17 refineries in Scotland altogether.

1528. Are those in operation?—They are not all in operation at this moment; there are only nine of them in operation at this moment.

1529. Then there are eight standing idle at present?—There are.

1530. Are those dismantled?—No; they are not dismantled.

1531. They are, in fact, ready to enter again into the manufacture of sugar, when favourable times arrive?—Yes.

1532. How long have those eight refineries been idle?—Five of them have been idle for some considerable time; two or three years; the other three have only been idle for some weeks.

1533. I believe that for some years past all the refineries in Scotland have never been at work

Chairman—continued.

work at one time?—No; I think not, for some years.

1534. What is that in consequence of?—In consequence of the deficiency of the demand; there is not sufficient demand to keep them all working together.

1535. I believe the sugar made in the Scotch refineries is not what we principally know as loaf sugar?—Not at all now. There is no loaf sugar made in Scotland.

1536. Was there ever any loaf sugar made in Scotland?—There was.

1537. Is that an extinct industry?—It is quite extinct.

1538. Can you tell me what, in your opinion, it is that has extinguished the loaf sugar refining in Scotland?—The competition of foreign refiners.

1539. Not the fair competition, I suppose?—No; the French refined sugar, which gets a bounty.

1540. And it is to the bounty that you attribute the closing of those refineries?—I do.

1541. Do you, as a moist sugar refiner, find that the bounty acts to any great extent upon your industry?—Yes, we do, but not so directly as the loaf sugar manufacturers; because there is no bounty-fed moist sugar coming into the country to compete directly with our goods; but the price of loaf sugar regulates the price of white moist sugar; and when that is depressed, it depresses the prices of the yellow and inferior kinds of moist sugar; so that, although we do not compete with the same class of sugar, we feel the competition equally with the loaf-sugar manufacturers.

1542. Is there any reason why the same policy which is now adopted in these bounty-fed sugar-producing countries should not be applied to moist sugar as well as to loaf sugar?—I do not know any reason. I understand that at present the French cannot export moist sugar on account of some fiscal arrangement; but I can see no proper ground for it, and I fear that they will begin to do so. There is no reason why the French, or other foreign refiners, should not make the same class of sugar as we make in Scotland; and what we want is, that if they do begin to make it, they should not be able to export it with a bounty, as they are at present doing in the case of loaf sugar.

1543. Do you know anything about any projected law in France which, it was feared, would have the result of applying that system to moist sugar as well as to loaf sugar?—Yes, I think there was such a projected law, but it was not carried out.

1544. It was opposed, I believe, by the sugar refiners of this country, and, no doubt, by the Scotch sugar refiners as well?—Yes; the sugar refiners of this country have, for some years past, been all acting together through the British Committee.

1545. You have no fear, I suppose, but that if you were on equal terms, you would be able to compete with the French refiner?—No, I have no fear.

1546. Do you believe that you would be able to do, not only a large business in moist sugar, but also in loaf sugar, both for the home market and for export?—At present our refineries are not fitted up for making loaf sugar.

1547. I am not speaking now about your par-

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Chairman—continued.

ticular refinery?—Loaf sugar might be made; new refineries might be put up to make loaf sugar in Scotland just as well as in England.

1548. From your experience as a sugar refiner, you have no doubt that loaf sugar could be made in this country, so as not only to have the command of our own market, but also to compete with French-made sugar in foreign markets?—That is so.

1549. You are probably aware of the negotiations which have taken place for some years past with a view to putting an end to the system of bounties?—I am.

1550. And your attention has been directed to the propositions which have been made to adopt some more efficient system of saccharimetry?—Yes.

1551. In your opinion, is it possible to adopt any system of that kind which would have the effect of abolishing bounties?—It is not possible, in my opinion, to adopt any system of saccharimetry which could not be evaded.

1552. Is it your opinion, that the only system by which these bounties could be abolished would be the system of refining in bond?—Working in bond only.

1553. And if a convention could be arrived at with France, Belgium, and Holland, to refine in bond, you do not think it would be contrary to the principles of free trade to have a clause inserted in that convention compelling those countries to put a *surtaxe* upon sugar coming from countries that continued to give bounties?—If you can define the bounty in any country, I do not think it is contrary to the principles of free trade to impose a *surtaxe* here equivalent to that bounty.

Mr. Morley.

1554. Are you aware of the process by which the French Government arrive at the duty that they have to charge?—They assess by the Dutch standards, by types.

1555. Has it anything to do with the process of which we have heard a good deal, as having been carried out at Cologne?—It has.

1556. I think the evidence given to the Committee has been, that there are some serious mistakes made by putting three or four qualities together?—That is so. There were several qualities representing sugars of various shades of colour, and also coming from various countries; they were all slumped together, and made the basis of a refining operation. The product from that operation was determined by actual working in this refinery at Cologne; and it was made the law, after that, that all sugars coming within the range of colour of those sugars taken for that experiment should be charged the duty that the average result of that experiment brought out.

1557. There were sugars that varied very much in quality put into the same retort, I think, or passed through the same process?—Yes.

1558. So that it would result in a heavy duty on the common sugar and a very light on the sugar of finer quality?—No doubt, within the limits of the class.

1559. Has that affected the methods that the French adopted in arriving at the amount of duty?—Yes, in this way: that, the colour being the standard, in order to assess the class of sugar to which any given parcel shall belong, and therefore the duty to which it shall be subject;

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Mr. Neill.

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Mr. Morley—continued.

it is an object to be striven after to make your sugar as dark coloured as possible, in order to pay the lower duty.

1560. Am I right in the impression that the French Government really defrauded themselves of what they might receive from the manufacturers of sugar, to the extent of perhaps 10 per cent., in consequence of the mistake made in that way?—They did.

1561. And they are doing it still?—They are doing it still, but not to such a large extent now, because they have in some cases adopted a system of checking by saccharimetry, so that, in some instances, they catch a portion of the fraud, but not the whole, inasmuch as they still maintain a series of types under an average duty. Therefore the higher limit of the series still obtains a bounty, but that does not extend to 10 per cent. in any case.

1562. I suppose your complaint is, not that the Government give back to the manufacturer the amount of duty that he has already paid, but that they give back more than he has paid?—That is so. The bounty is an excess of drawback.

1563. And it is that which constitutes your complaint, is it not?—That is so.

1564. It would be a natural thing for the Government to give back to the manufacturer the exact amount of duty that he has already paid, if they could ascertain what that is?—Clearly, but they cannot by any possibility ascertain it, except by working in bond.

Lord Frederick Cavendish.

1565. You gave the Committee the number of refineries, in Scotland, at work and standing idle; can you inform the Committee what the production of those refineries has been in different years?—I can give the consumption of raw sugar in the Clyde for a great many years, which is practically what passes through the refineries, because there is hardly any raw sugar consumed in Scotland. I have the figures from 1862. There were 106,000 tons in 1862, 121,000 tons in 1863, 126,000 tons in 1864, 136,000 tons in 1865, 162,000 tons in 1866, 178,000 tons in 1867, 171,000 tons in 1868, 156,000 tons in 1869, 196,000 tons in 1870, 212,000 tons in 1871, 208,000 tons in 1872, 195,000 tons in 1873, 192,000 tons in 1874, 242,000 tons in 1875, 239,000 tons in 1876, 240,000 tons in 1877, and 250,000 tons in 1878.

1566. The French bounty has been in force since 1864, has it not?—It came into force about that time.

1567. And in spite of the bounty, the production of the Scotch refineries has been largely increased?—That is so.

1568. Is it the case that the French sugar refining machinery and appliances are superior to those in general use in this country?—I do not think so.

1569. Is it not the fact that there is very considerable export of French machinery for sugar making to neutral markets, such as Cuba?—It is very likely. I do not know; but I know that there is a large exportation of British sugar refining machinery to various parts of the world.

Mr. Courtney.

1570. The largest amount of sugar refined in Scotland was last year, according to your state-

Mr. Courtney—continued.

ment?—Yes, that was in the Clyde. The two years before that were about the same. There was nothing done last year in Leith at all. Taking the last three years, they have been stationary. I have not the figures for Leith here, but I know that, adding the Leith figures to those that I have given for the Clyde, the last three years are about stationary.

1571. The moist sugar industry has greatly increased of late years, has it not?—It has. As the Committee are aware, the consumption of sugar in the country has very largely increased, and the production and refining of moist sugar in the Clyde has kept pace with the increasing consumption of the country.

1572. Has there not also been an increase beyond the increased consumption?—A very slight increase.

1573. Have you any figures of the exports?—I have the exports from Scotland from about the year 1866. There was no export from Scotland worth speaking of before that. There were only 168 tons exported in 1866; and in 1867 there were 856 tons. Then they become more important; there were about 4,800 tons exported in 1868; 5,200 tons in 1869; 13,200 tons in 1870; 16,900 tons in 1871; 15,700 tons in 1872; 10,700 tons in 1873; 33,000 tons in 1874; 17,600 tons in 1875; 26,600 tons in 1876; 16,000 tons in 1877; 19,000 tons in 1878. That is the export from the Clyde.

1574. Where is that exported to?—It has principally gone to Denmark and Canada. I think that out of the 19,000 tons exported last year, 8,000 tons went to Denmark and Norway, that is the north of Europe, 8,000 tons to Canada, and 3,000 tons to other places.

1575. It has increased even more rapidly in proportion than the increase of consumption, has it not?—It has not increased much since 1870.

1576. It sprang from nothing, did it not?—Yes.

1577. And within the last 10 years it has increased very much more in proportion than the increase of consumption?—Since 1870, it has not.

1578. The figures which I have before me are the exports of home-refined sugar; and I see that they start with 278,000 cwt. in 1863, and go on with comparatively little difference up to 1869, when they begin to increase to 580,000 cwt. in 1870, and then go to 900,000 cwt. in 1874; 970,000 cwt. in 1875; 1,192,000 cwt. in 1876; and 1,119,000 cwt. in 1877; so that that shows a very considerable increase in the refining of moist sugar at home, does it not?—Those exports will include all the United Kingdom, I suppose.

1579. It does not appear, therefore, that the moist sugar industry is at all injuriously affected by any action of foreign countries?—I explained that it was affected.

1580. How is it that the trade is so flourishing in spite of it?—Those figures show that the trade is going on, but they do not show that it is going on at a profit.

1581. It goes on increasing, does it not?—It has not increased very much of late, since 1871 and 1872, when the French bounties became doubled.

1582. The year 1875 was a year of great activity in the sugar trade, was it not?—It was.

1583. That was after the French bounties were introduced in their strongest form?—Yes.

1584. How

Mr. Courtney—continued.

1584. How do you account for this activity; you do not suppose that the trade goes on increasing without being a profitable industry?—It has not been increasing much within the last five or six years.

1585. Has any trade increased within the last three years?—It has not increased at all, I should think, since 1874.

1586. Has the cotton trade increased very much within the last three or four years?—I am not aware.

1587. Has the iron trade increased; you know that, at any rate, on the Clyde?—I do not think it has; I am afraid not.

1588. The sugar trade may be affected by the same causes which have affected that, may it not?—We should like to see it increasing rather; and we have plenty of plant on the Clyde to do a great deal more than we are doing.

1589. You export to Denmark, I understand?—We do.

1590. Is there no German competition in Denmark?—I am not aware.

1591. Are you aware of the manner in which sugar is refined in Germany, and whether there is any bounty?—I am not aware.

1592. If you will take it as having been said by a witness before the Committee that there is a very considerable bounty on the exportation of moist refined sugar from Germany, how do you account for our being able to carry on an increasing trade with Denmark, in competition with Germany?—I cannot tell. I can only state the fact that we do export to Denmark.

1593. In Canada, to which you also export, there is competition with our trade, is there not?—The Canadian trade has quite fallen off this year; they have raised the duties in Canada, and made them more protective, and the Canadian refineries are supplying the country now.

1594. Are you aware of the precise action taken by Canada in respect to sugar?—I understand that they have raised the duty 10 per cent. *ad valorem*.

1595. Is that the same with regard to sugar from all countries?—I understand so.

1596. You are not aware of any discrimination being made by them?—I do not think there is any; I do not know.

Mr. Bourke.

1597. With reference to these figures, have you got the amount of manufactured sugar in

Mr. Bourke—continued.

1864?—One hundred and twenty-six thousand tons on the Clyde.

1598. What was the quantity in 1874?—One hundred and ninety-two thousand tons.

1599. And in 1878?—Two hundred and fifty thousand tons.

1600. Now, will you give the exports in 1864?—Nothing.

1601. In 1874?—Thirty-three thousand tons.

1602. And in 1878?—Nineteen thousand tons.

1603. Then taking 1874 as 192,000 tons manufactured, and 33,000 tons exported, does the difference between 192,000 and 33,000 tons represent the home consumption?—It does, with this exception, that the 192,000 tons is raw sugar, and the 33,000 tons is refined sugar. The difference of 159,000 tons would not altogether be eaten; there is a portion of waste in manufacture.

1604. But relatively with the other years, it would represent the same?—Yes.

Chairman.

1605. You are aware, of course, that the moist sugar makers do not profess to be affected in the same way as the loaf sugar makers?—Not in the same way.

1606. But that whilst the moist sugar trade still lives, the loaf sugar trade is practically extinguished?—I am aware of that.

1607. If the refining of moist sugar were a paying trade, is it at all likely that the eight refineries which you have standing idle in Scotland would continue to stand idle?—It is not at all likely.

1608. They being all prepared and ready to go to work?—Yes.

1609. You were asked if you considered that the French machinery was better adapted than the English machinery for the refining of sugar profitably; if you did consider that it was better, you would get your machinery from France, I presume?—Certainly.

1610. But you do not consider that it is better, and therefore you do not have it from France?—No.

1611. And although it may be true that French machinery goes out to Cuba, rather than English machinery, it does not follow that it is better than English machinery, but it may be that it can be made cheaper in France?—I cannot tell the reason, but it does not follow that it is better machinery.

Mr. Neill.

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Mr. THOMAS O. EASTON, called in; and Examined.

Chairman.

1612. WHAT is the name of your firm?—Macfie and Sons.

1613. Where do they carry on business?—In Liverpool.

1614. Are they moist sugar refiners, or loaf sugar refiners?—Formerly they were partially loaf sugar refiners, but now they are altogether moist sugar refiners.

1615. What was it that induced your firm to give up the loaf sugar refining?—We found that it did not pay.

1616. Can you say why?—On account of the competition of bounty-fed sugar from abroad.

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Chairman—continued.

1617. Is there any loaf sugar refined in Liverpool?—No, and I may say that it was never a very large proportion of our business.

1618. Although the bounty does not affect the moist sugar refiners to the same extent as it does the loaf sugar refiners, does it to some extent affect the moist sugar refiners?—We are all so much joined together that one must affect the other. The price of loaf sugar presses down the price of the better description of moist sugar, and the price of the better descriptions of moist sugar presses down the lower kinds.

1619. The fact of moist sugar refining going on points to the fact that there is some profit to

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Chairman—continued.

be made out of it?—There is no doubt that some profit is made out of it.

1620. There is no moist sugar imported from France, is there?—No.

1621. Therefore you do not have French competition to fight against?—No.

1622. Do you consider that any circumstances might possibly arise which might affect the moist sugar makers in the same way as the loaf sugar makers have been affected?—Foreign countries have only to begin the system of giving bounty upon moist sugar exported, to affect the moist sugar makers in this country in precisely the same way as it has affected the loaf sugar makers, that is to say, practically extinguish them.

1623. No doubt the moist sugar makers are looking with great anxiety to the conclusion that will be arrived at with reference to the question of bounties?—We think a great deal of it; it is most important.

1624. Does your trade think that if some stop is not put to the present system of foreign bounties, ultimately moist sugar will be brought into the same category as loaf sugar is now in?—We are threatened with it from America now.

1625. And you have been threatened with it from the Continent?—Yes. If the *projet de loi* which was brought into the French Assembly had been carried out it would have affected it.

1626. In your opinion, what is the only remedy?—Refining in bond.

1627. Have you studied the question of saccharimetry?—Yes.

1628. Do you believe that any perfect system of saccharimetry could be adopted by which the bounty could be extinguished?—I do not think it could.

1629. You think that so long as there continues to be a system of drawback, it must necessarily imply a bounty?—Necessarily.

1630. And you consider that the only mode of stopping it is by refining in bond?—Yes.

1631. Do you, as a sugar refiner, think that refining in bond entails any appreciable additional expense and trouble upon refiners?—Not appreciable.

1632. Do you not think that the system proposed by Holland at the last Conference, of watching the doors is a system which would cause trouble to the manufacturer?—No, I do not think it would cause trouble.

1633. Did your firm express any opinion upon the question of refining in bond in 1862?—They were not examined, but they held an opinion upon the subject.

1634. What was that opinion?—That refining in bond was the best cure for the evils complained of. If I may be permitted, I will read an extract from a letter from our then senior partner, Mr. R. A. Macfie, at the time of the Committee, or just before, in order to show what was the opinion of our firm in 1862 as to refining in bond. This was addressed to our representative in Parliament for Liverpool. It is dated the 24th of March 1862. He is speaking about the budget season coming in and the agitation with regard to a uniform duty, and he goes on to say that he is quite content with the scale and does not ask for any change, but that if there is to be a change, by all means let it be a radical one, and he says, "the only radical cure is to put the sugar-houses at once under bond, charging duty on such parts of the extracts as may not be exported;

Chairman—continued.

this would put the export trade on a simpler footing and get rid of the inequality and cumbrousness of drawbacks, whilst it would be perfectly fair as between one planter and another, the East Indies and the West, and between all sorts of refiners."

1635. That shows that your senior partner in 1862 was in favour of the system which you now advocate for the Continent?—Yes.

1636. You are aware of the course which the negotiations have taken, and how the various Governments of this country have endeavoured to procure the abolition of these bounties by negotiation?—I am.

1637. And you are aware that, up to the present time, those negotiations have failed?—I am.

1638. Negotiations having failed, what other remedy do you consider might now be attempted to be applied?—I would not say that we should like to see the negotiations given up. They were very nearly successful, although they have not been quite successful. They have been on the eve of being successful more than once, but if they are finally unsuccessful, the only remedy that I can see is the imposition of a countervailing duty.

1639. That is to say, you would advocate a Convention with a clause, that other countries not under that Convention which continue to give bounties upon exports, should have a *surtaxe* put upon their sugar?—I would.

1640. And you believe that that would, practically, have the effect of bringing all sugar-producing countries within the Convention?—I think so.

1641. You believe that, the moment we attempted to countervail that bounty, the inducement to give a bounty would cease, and that they would come under the Convention?—Yes.

1642. From your study of the negotiations and correspondence, do you believe that France and Holland are likely to agree to any convention that does not contain a clause of that kind?—No, I am afraid they will not.

1643. If such a Convention were agreed to amongst the principal sugar-producing countries, the practical difficulty of putting a countervailing duty on any countries which might remain outside the Convention would be very small, because they would be very few?—Yes.

1644. You see, I suppose, many practical difficulties in the way of putting a countervailing duty on France, Holland, and Belgium?—Yes, there would be difficulties, but I think they are exaggerated.

1645. But if those countries were to agree to refine in bond, then there would, in your opinion, be no practical difficulty in putting a countervailing duty upon countries that might remain outside?—None whatever.

1646. Would the adoption of a Convention such as this be likely appreciably to raise the price of sugar to the consumer?—To an extent hardly to be seen by the consumer.

1647. What, in your opinion, is the amount per ton which would be sufficient to countervail the bounty?—About 2 l. 5 s.

1648. How much per pound is that?—A farthing per pound.

1649. There is one other remedy which has been proposed in case of these bounties continuing, and that is shutting out sugar altogether from

Chairman—continued.

from those countries that did not agree to the Convention; would you advocate such a measure as that?—No.

1650. It would be simple?—It would be very simple, and it would commend itself in that way.

1651. It would get rid of some of the difficulties of imposing a countervailing duty; but you are not in favour of such a proposal?—I would not think of proposing it.

1652. In your opinion, such a proposition as that which I have sketched out would not be at all antagonistic to the principles of free trade?—Not at all.

1653. It would still permit sugar-producing countries to send their sugar into this country without any practical impediment?—I think so.

1654. The countervailing duty being only exactly equivalent to the bounty?—Or below it.

1655. In fact, you would rather have a countervailing duty below the lowest estimate that could be made of the bounty than have it supposed that you wished for protection?—Certainly.

1656. You do not wish for protection?—No.

1657. You believe that you can refine as cheaply, and perhaps more cheaply, than any foreign competitor?—Yes, we ought to do so; we have more advantages.

1658. And you believe that, on equal terms, the sugar refiners of this country would not only obtain the command of their own market, but would probably obtain a considerable share of the export trade?—I think so.

1659. And that would, of course, give employment, not only to sugar refiners, but to the various trades which are contingent upon sugar refining?—Yes.

Mr. Courtney.

1660. You said that you were not prepared for a policy of prohibition?—I would not propose it.

1661. That would be too radical a step for you; you are not quite so courageous as your senior partner was?—I think it would not be carried.

1662. What kind of raw sugar do you get?—All sorts; cane sugar and beet sugar, and sugar from all countries.

1663. They come in pretty freely in competition with one another?—Yes.

1664. Do you find one growing upon the other?—Not so much in Liverpool I think, but no doubt in the United Kingdom they are.

1665. Why should there be any difference in Liverpool?—I cannot say.

1666. Do you think there is much difference in the Clyde?—They have been always fonder of beet sugar in the Clyde and in London than we have been in Liverpool.

1667. So far as carriage goes, but sugar would have no advantage in the Clyde as compared with Liverpool, or the other way?—No.

1668. You used to make loaf sugar, but you now make moist sugar only?—Yes.

1669. Was the change the occasion of great inconvenience and loss?—We have a great portion of our plant and sugar house lying idle in the hope that we may some day be able to make loaf sugar again. I think we should go into it very largely, now that the consumption of loaf sugar has become so large, if the bounty

Mr. Courtney—continued.

system was done away with, and we were able to compete with any prospect of success. We built a sugar house in 1874 for making moist sugar, with the expectation that our old sugar-house would be occupied entirely in making loaf sugar. That was at the time when the National Assembly in France had voted refining in bond, and we thought that everything was going to be made straight.

1670. Do you export?—Yes.

1671. Where to?—To Italy and Canada.

1672. Do you export moist refined sugar?—Moist refined sugar.

1673. In Italy do you find that the exportation trade is maintained pretty fairly?—It is stopped, I believe, now. They have within the last few days altered their tariff to a system of protection to their local refineries, which I am afraid will take that trade away from us.

1674. That is due to the action of the Italian legislature; but you do not fear the competition of Austria?—Austria did, I believe, send there, but I have no figures.

1675. But your trade has not been perceptibly affected by the Austrian competition?—No.

1676. We are told that there is an exceedingly large bounty in Austria upon the refining of moist sugar, in consequence of the very imperfect way in which the duty is levied?—Most unquestionably our trade with Italy would have been much larger if it had not been for that.

1677. That is not a trade of very recent origin, is it?—I think it is of recent origin with us, certainly within the last 10 years.

1678. You are agreed that a Convention between the four Powers to refine in bond, without a clause excluding the sugars of other countries which give bounties, would be of little value?—I do not say that it would be of little value, but I do not think it would be agreed to without that.

1679. You are quite clear that France would not agree to it without that clause?—I do not think it is likely that they would. I think it would be extremely valuable, even without the clause, if we could get it; because it would help us in regard to the two countries which principally compete with us, viz., France and Holland.

1680. But, as soon as you had equalised the conditions of the competition with France, then the advantage of Germany and Austria in the competition would begin to be felt, would it not?—They do not give bounty so much on the export of refined sugar in Austria, which, of course, is what competes with us, but on raw sugar, which is more or less an advantage as regards refiners.

1681. The United States practically give a considerable bounty, do they not?—They do; it was very serious.

1682. So that, unless we make up our minds to impose compensatory duties, we may put aside altogether the suggestion of joint action?—I am afraid so. I would not, however, despair of negotiations.

1683. But it is very nearly a case of despair, is it not?—I do not know. I would like the Government still to persevere with the negotiations, even if the countervailing duty was not carried.

1684. Supposing that we had agreed to establish refining in bond between these four countries,

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tries, with a clause agreeing to put compensatory duties upon other countries, do you think it would be easy for the four Powers to agree as to the rates of duties which should be put, first, upon United States sugar, next upon German sugar, next upon Austrian sugar, and next upon Russian sugar?—I hardly think it would be necessary for them to agree. It would be left to each country to put the amount which they thought proper.

1685. Surely they must all agree, otherwise any one party to the Convention may say, "I am robbed of access to the equal market"; the essence of the agreement between these four Powers would be, that their markets should be freely open to each other?—I should think there would be no difficulty in establishing roughly the proper amount. Of course it could not be done with perfect accuracy.

1686. If it were put high enough, you might establish an agreement?—I would rather put it low enough. I would aim rather at being under than over, because the very fact of a countervailing duty would be a help.

1687. Do you think the French refiners would be of your opinion; that it would be better to put it too low than too high?—I should think so.

1688. You say that it would not appreciably raise the price to the consumer?—Not if the countervailing duty was made 2 s. or so at the outside. I do not think that that is very great.

1689. But it is meant that it should appreciably raise the selling price to the producer?—Slightly.

1690. That is the whole purport of the agitation, is it not?—But such a very small thing will do it.

1691. It must be small enough or big enough to protect the trade?—Not to protect it; it is to resist an invasion.

1692. To protect the territory then, we will say, or to protect the market; you do not mean to put it that the sum would not be felt by the consumer, do you; you do not mean to suggest that it is too small to be divided?—It almost amounts to that to an individual consumer; but, of course, if you take it in the aggregate, it amounts to a large sum.

1693. Is it not necessary, according to the action of trade, that all these things should be divided somehow or other, either as affecting quality or price?—Yes, I was looking at it from the point of view of the refiner; then a very small amount would put us on the right side. The whole course of business now in the refining industry is really the large outturn, small profits and quick returns, and the very least amount in the shape of bounty is enough to sweep that all away. It is a great peril.

1694. The moist sugar refining trade is not a declining one, is it?—No.

1695. On the contrary, it has been a rapidly increasing one?—It has.

1696. The loaf sugar refining trade is a declining one, is it not?—Yes, in the United Kingdom.

1697. And it is for that that this agitation is maintained?—I think the moist sugar refining trade has enjoyed this amount of prosperity, on account of exceptional circumstances, which will never occur again; we have come to the end of those.

Mr. Courtney—continued.

1698. What are those circumstances?—The great factor, of course, has been the lowering and the abolition, in the end, of the duty, which has stimulated consumption to an enormous extent; and it ought to have been a time of unparalleled prosperity, as regards the refining interest; but we have come to the end of that, and we have no more duty to take off.

1699. But we have often thought that we had come to the end and the expiration of a trade; but it has gone on expanding?—But that is a thing that we have come to the end of as regards stimulating consumption, by taking off the duty.

1700. But I think we may rely upon an increase of consumption going on all the time?—It does not seem like it at present.

1701. You mean that it has been arrested during the last two or three years?—Yes. I should like to draw your attention to the rate at which consumption has been going on. If you look at the Report of the Select Committee of 1862, you will see a table at page 307 in the Appendix, and in the Statistical Abstract; and you will find that from 1815 to 1825 the increase of consumption was 30 per cent.; from 1825 to 1835, the increase was 23 per cent.; from 1835 to 1845, it was 20 per cent.; from 1845 to 1855, it was 55 per cent.; from 1855 to 1865, it was 22 per cent.; and from 1865 to 1875, it was 73 per cent. Then comes this remarkable thing, that in the whole history of the sugar trade, from 1815, we find, in the three years between 1875 and 1878, that there is no increase, but an actual decrease of $4\frac{1}{2}$ per cent., which, to my mind, seems to indicate that we have reached the limit where consumption is to help us.

1702. One thousand eight hundred and seventy-five was a year of abnormal activity, was it not?—One thousand eight hundred and seventy-five came just after the taking off of the duty, and a great stimulus occurred from that.

1703. There has been since that a general decline of trade and commerce generally, has there not?—Yes; but there have been years within this period when there have been bad trade and dullness of trade before.

1704. Do you know anything of the actual quantity of sugar consumed per head?—It now reaches 60 lbs.

1705. In 1875 it was rather under 54 lbs. per head, was it not?—Yes.

1706. In 1876 it fell off to 50 lbs.; so that it has increased since then?—It has.

1707. Do you suppose that these decreases and increases are extraordinary and unprecedented?—It is unprecedented when it goes on for three years consecutively, I think.

1708. In 1867 the consumption was 40½ lbs.; in 1868 it was 39½ lbs.; and in 1869 it was 38½ lbs.; those are three consecutive years?—Are you speaking of the total quantity of sugar, or are you speaking of the quantity per head?

1709. I am speaking of the quantity per head?—The population had not increased so rapidly.

1710. I am quoting now from the statistical abstract which gives every year's actual consumption per head, allowing for the state of the population?—The increase of population between 1855 and 1865 was 8 per cent.

1711. But we are dealing with the amount consumed per head, and I pointed out that the years

Mr. Courtney—continued.

years 1867, 1868, and 1869 show a continuous decline, just as you say happened after the year 1875; so that the thing is not unprecedented?—It is unprecedented as regards the total quantity, but not as regards the per-centage per head.

1712. That also might be doubted?—That is what I believe.

1713. But, as a general statement, the moist sugar refining trade is active?—Yes.

1714. And it has been increasing?—Yes, from two causes, but I think we have got to the limit of them both. The one is the reduction of the price by the abolition of the duty; and the other is the reduction of the price, by the cheapening of the cost, by the carrying out of an entirely new process of making moist sugar, but that has almost come to its lowest limit now.

1715. You think that human ingenuity could not invent any improvement?—There is not room for much. If you would allow me to show you what is now being done in sugar: that (*producing a sample*) is what I bought in London on Saturday night. It is beautiful sugar, and I got a pound of it in a grocer's shop for 2 *d.* It took 40 years, perhaps, to reduce the price from 7 *d.* to 2 *d.*, but I doubt whether, in 100 years, you will reduce it from 2 *d.* to 1 *d.*; so that we are getting near the limit by which the reduction of price can help us in the consumption. The only reason why I mention that is to show that we have arrived at a point where a bounty will affect the moist sugar refining very seriously, as well as the loaf sugar, if it goes on. The producer, the carrier, the refiner, the wholesale dealer, and the retail dealer have to be paid out of that 2 *d.*

Mr. Norwood.

1716. Is that 2 *d.* a pound that you talk about for that sugar the real market price; I hear there are such things as "leading articles" in certain grocers' shops; one man sells it perhaps below the value, in order to sell other matters which pay; is it really the fact that 2 *d.* is the ordinary price of that sugar in London?—I believe so. If you go to a very grand shop they may perhaps charge you more. I bought that at a grocer's shop in the Seven Dials.

Mr. Balfour.

1717. I do not quite understand why the recent improvements in the process of refining moist sugar, and the consequent diminution of price, should make you feel the French bounty on loaf sugar more?—What I meant to say was, that the price of loaf sugar affected the price of moist sugar. For instance, if loaf sugar was to come down to the same price as moist sugar, the consumption would enormously increase upon loaf sugar; and the nearer it approaches to that, the more it presses down this and the other descriptions of crystals and moist sugar which are made. If I may use an illustration, if there was a very large bounty on brandy exported from France, it would affect the distillers of whisky and gin here and the producers of rum. If you could get good brandy very cheap, people would not consume as much of the other kinds of spirits; and these different kinds of sugar are much more intimately connected with one another than those different classes of spirits are.

1718. In fact, because loaf sugar is so much cheaper than it would otherwise be, you have to diminish the price of the other moist sugar, in

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Mr. Balfour—continued.

order to induce the consumer to buy the same quantity which he would otherwise have done?—Yes.

1719. Therefore the diminution in the price of loaf sugar by the operation of the bounties does affect the price of moist sugar very materially?—Yes.

1720. Then how can it be understood, properly speaking, not to affect the consumer?—I perhaps used rather strong language when I said that it was a matter of entire indifference to him, but it is hardly appreciable; I think the retail man would pocket the $\frac{1}{4}$ *d.* a pound rather than sell at 1 $\frac{3}{4}$ *d.*

1721. If he pockets the farthing I do not understand why it affects the position of the consumer; your whole contention was that the position of the consumer was affected by this diminution of a farthing a pound?—When you come to loaf sugar it is not a matter of a farthing per pound, but of a penny per pound. The retail man sells, taking it broadly, at 2 *d.*, 2 $\frac{1}{2}$ *d.*, 3 *d.* and 3 $\frac{1}{2}$ *d.*

1722. You say that the price of the moist sugar is affected by the price of the loaf sugar; and it is affected because the consumer does feel the difference of price so materially that he alters the scale of his consumption?—Yes.

1723. The fact that the consumer alters the scale of his consumption does show, conclusively, that the difference of price is material to him?—No doubt it is material to him.

Lord Frederick Cavendish.

1724. When a duty is laid upon an article the cost to the importer is considerably more than the amount of duty levied, is it not, in the shape of the inconvenience and trouble which are inevitably attendant on Custom duties?—The old scale, no doubt, was very complicated, and attended with a good deal of trouble.

1725. If there were a compensatory duty there would be questions of bonding and delays of various kinds, would there not, which would inevitably increase the cost to the importer more than the mere amount of the duty?—I do not think it would amount to anything; it would be a very simple matter.

1726. Do you think that the Customs duty does not add more to the cost of the article upon which it is levied than the absolute amount of the duty; that there is nothing in the delay, and the superintendence, and the officialism?—Not in a place like Liverpool. As I say, under a complicated system as they had formerly, it would; but if there is only one rate of duty, and one class upon which that has to be assessed, the thing would be so simple that I think there would be no delay.

1727. But, as I understand, there would be a different amount of duty for every country according to the amount of bounty, which is granted upon the export of sugar; and for each of the qualities of sugar it would be a most complex case, would it not?—If the amount of the bounties were very different, it would be; but if you took the minimum, the country that gave the smallest bounty, we could make it very much alike for them all.

1728. But you would be obliged, in order that this compensatory duty should be fair, to levy it according to scale?—In proportion to the bounty that has been given.

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Lord Frederick Cavendish—continued.

1729. Can you give the Committee the production of moist refined sugar in Liverpool of recent years?—Moist sugar has increased very much; the deliveries last year were about 200,000 tons.

1730. What were they when you entered upon the business, or in any other year?—It has very nearly doubled itself in 10 years. In 1867 it was 105,000 tons, and in 1878 it was 204,000 tons. That was the amount of the deliveries of raw sugars which are mostly made into moist sugar. Of course there is a certain proportion of them that goes direct into consumption, but we have no figures to show that.

1731. Was the production of 1878 the largest ever known in Liverpool?—No, 1875 was larger.

1732. What was it in 1875?—It was 208,000 tons.

Mr. Morley.

1733. Do you import raw sugar from Austria?—Yes.

1734. There is a large bounty given there, is there not?—I believe so. It is alleged so.

1735. It is very large, is it not?—I hardly know what the amount is.

1736. I suppose that, in proposing to get rid of bounties, you would willingly include the Austrian bounty?—Certainly.

1737. Are you acquainted with the process of making raw sugar in France?—No, I am not.

1738. There are factories, I presume?—There are factories, but I have never been through one.

1739. They work in bond, do they not?—They work in bond.

1740. There would not be a greater difficulty, would there, in refining in bond than in manufacturing in bond?—No, not at all. We have had experience of refining in bond; one of our sugar houses worked in bond from 1838 to 1854.

1741. Do you know the quantity of loaf sugar that is consumed in Great Britain?—No, our figures do not show how much is loaf sugar; it comes under the class of refined, but a great deal of that class is not loaf sugar.

1742. There is an enormous increase in the consumption of loaf sugar generally, is there not?—Very great.

1743. Has some portion of the increase of moist sugar that you manufacture taken the place of loaf sugar?—No, I think loaf sugar has apparently taken the place of moist sugar. I may say that I think in former years it was almost entirely loaf sugar that was made in this country. The moist sugar trade is, as it were, a new one that has come into operation very much, I suppose, since 1843 or 1844.

1744. It has enormously increased?—It has enormously developed, and that development has been due to the finding out of the use of charcoal, and to centrifugal machines.

1745. Do you think that the increase of consumption of loaf sugar has gone on *pari passu* with the increase of consumption of moist sugar?—I do not think so, taking from those years.

1746. I understand that the difference to the consumer of this bounty question is simply a farthing per pound?—If it is established that it is 2s. 4d. per cwt., that is a farthing per pound. That is what is alleged to be about the amount.

Mr. Morley—continued.

1747. The interest of the consuming portion of the public in the settlement of this question is really only a farthing per pound?—I take it to be somewhere about that.

1748. But the greater question remains that, if something is not done, there may be a clean sweep of our refining and sugar making altogether?—Yes, we refine about 46,000 tons per annum, and 6d. per cwt. upon that gives a very handsome profit of 23,000l. Then a bounty, if it is anything like 2s. 4d. per cwt., would simply, if it was applied to moist sugar, sweep us away.

1749. If Austria were to give a bounty upon the export of refined moist sugar?—Yes, or America.

Mr. Stewart.

1750. You said, I think, that you considered that our Government were, on two occasions, very near arranging this matter in a way that would have been satisfactory by diplomatic negotiations?—Yes.

1751. Do you think that that is the way in which we are most likely, looking all round the question, to get these difficulties overcome, considering the difficulties that surround the question of refining in bond, and countervailing duties, and so forth?—I think it would be best to try combining negotiations with the proposal of a countervailing duty.

1752. Do you not think that the interests of the French Exchequer and of the public in France, that is to say, the taxpayers in France, and also of the *fabricants* of beetroot sugar in France, being all indetical with your interest, we are sure by forcing the question diplomatically to succeed in the end?—One has been now expecting it for a long time, and one's faith is getting a little shaken.

1753. But the longer you go on the more likely you are to convince others that you are in the right?—Possibly, but in the meantime it is a very serious injury to us.

Mr. Norwood.

1754. I think you said that the carriers would be amongst the classes that would benefit by a countervailing duty upon sugar?—Yes; I think more raw sugar would be brought to this country.

1755. Of course, what foreign refined sugar we get now has to come by sea, a longer or a shorter distance?—Yes, the bulk of raw sugar is, of course, greater than when it is in its refined condition.

1756. French sugar does not come by French ships, I think?—I think not.

Sir James M'Garel-Hogg.

1757. Can you give the Committee any idea of the amount of capital invested in sugar refining?—I cannot; I can only guess.

1758. Nor of the number of the people employed?—I have not made it up. I would have done so, if I had known that I should be asked the question.

Chairman.

1759. You say that the countervailing duty which would be necessary to meet the bounty would be something like 2s. 4d. per cent., which is equal to about one farthing per pound; and you estimated that one farthing per pound as being

Chairman—continued.

being about the difference that it would make to the consumer; but is it at all certain that it would make anything like one farthing per pound difference; would there not be a large competition between the makers of sugar here, which would tend to lower the selling price to the selling price plus a fair profit?—Certainly; I put that as the maximum.

1760. Therefore, although, if the price was to rise beyond one farthing per pound, it would admit the foreign sugar to keep it down to that as a maximum; you believe that the home competition amongst refiners themselves, even with this farthing per pound, would so keep down the price as not to make even that amount of difference to the consumer?—I think so.

1761. Therefore the consumer would not necessarily pay even the duty, let alone the duty plus the charges?—Not necessarily. Of course it would have a tendency in that direction, to a certain extent, but not to the amount of the duty.

1762. Because of the competition amongst the manufacturers themselves?—Yes.

1763. And it is obvious, is it not, that if large profits were made, there would be a large number of new manufactories started?—Quite so; and the profits are reduced now to a scale per cwt. nothing like what they used to be. It is a large business with a small amount per cwt., although it amounts to a considerable sum upon the large quantities done.

1764. A difference, say one-sixteenth of a penny per pound, would make very little difference to the consumer, but it would make all the difference between profit and loss to the manufacturer?—Yes.

1765. Therefore that which is of small consequence to the consumer is of vital consequence to the manufacturer?—Quite so.

1766. I think you said that you could not speak as to the exportation of loaf sugar?—It is put at 170,000 tons, I think, but some of that is not loaf sugar.

1767. But, however, you are aware that, although the moist sugar continues to be made, loaf sugar refining is practically an extinct industry in this country?—Very nearly.

1768. The honourable Member for Greenock asked you whether, in your opinion, it was not better to try and settle this matter by negotiations, and I think the words he used were, "negotiations rather than complicate the matter by refining in bond or countervailing duty;" has not the object of the negotiations which have taken place been to establish refining in bond?—I did not understand it that he said "refining in bond"; I thought he referred more to the countervailing duty. Of course, the whole object of

Chairman—continued.

the negotiations has been to establish refining in bond.

1769. I gathered the object of the honourable Member's question to be that, if we went on negotiating, and endeavoured to persuade France and Holland that it is very much against their interests to continue this system of paying bounties, we might ultimately convince them that that is so; but have you any hope that any representations that we could make would have that effect?—I am afraid not.

1770. All the negotiations have been with the object of getting refining in bond agreed to?—Yes.

1771. And the Legislatures of the three principal countries have agreed to establish refining in bond?—Yes.

1772. And your only objection in pressing forward the establishment of the countervailing duty, is in order to bring about that refining in bond?—Yes, as a means to an end, the end being refining in bond.

1773. You believe that the result would be that all sugar-producing countries would come under a convention of that nature, and that there would be no necessity whatever for a countervailing duty?—Quite so. Might I draw attention to one other point with regard to refining in bond. A good deal has been said with regard to the objections to refining in bond made before the Committee in 1862. I want to draw attention to the fact that the whole refining trade in the Clyde in 1853 petitioned the Government to put the sugar houses under bond. That will be found in the Appendix to the Report of the Select Committee, at page 333, signed in Glasgow by Robert Macfie on behalf of all the Scotch sugar refiners, it having been carried at a meeting.

1774. You instance that as evidence that, at that time, the Scotch sugar refiners saw no difficulty in coming under the system of refining in bond?—Quite so.

Mr. Courtney.

1775. Why did not Mr. Macfie give evidence before the Committee in 1862?—I do not know.

Mr. James Corry.

1776. That is not the same Mr. Macfie who wrote that letter, is it?—No; it is a cousin, who was a partner, and managed our sugar house in Greenock.

Mr. Norwood.

1777. But if the Scotch refiners had that opinion at that time, I do not think the English refiners had, had they?—No.

Mr. Easton.

23 June
1879.

Thursday, 26th June 1879.

MEMBERS PRESENT:

Mr. Bell.
Mr. Bourke.
Mr. Alexander Brown.
Lord Frederick Cavendish.
Mr. Eugene Collins.
Mr. James Corry.
Mr. Courtney.

Mr. Orr Ewing.
Sir James McGarel-Hogg.
Mr. Morley,
Mr. Ritchie.
Mr. Stewart.
Mr. Thornhill.

C. T. RITCHIE, Esq., IN THE CHAIR.

Mr. JOHN SHEPHEARD, called in ; and Examined.

Mr.
Shepherd.
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Chairman.

1778. I BELIEVE you are Chairman of the British and Irish Sugar Refining Company, Limited?—I am.

1779. Was that originally Messrs. Bryant, Burnell, and Co.'s firm?—It was.

1780. When was that firm established?—Originally in the year 1836.

1781. Where did it carry on business?—At Plymouth.

1782. And it carried on a successful business?—Very successfully, for twenty years.

1783. It was afterwards transferred to a company, was it not?—Yes.

1784. In what year was that?—The old proprietors, with some members of their families, united in making it into a joint stock company in the year 1856.

1785. What was the capital of the company?—£.150,000, of which 125,000 *l.* has been paid up.

1786. In addition to your connection with that company, I believe you are prepared to speak for the sugar refiners of Bristol?—I am. The sugar refiners of Bristol importuned me to represent them on the Committee of the Sugar Refiners' Association in London; and I am also deputed to represent them on this occasion.

1787. How many sugar refineries are there in Plymouth and Bristol?—There were formerly in Bristol from 12 to 16, but they were on a smaller scale than any that are at present in existence there. Unfortunately, that number is now reduced to three in Bristol. In Plymouth there were formerly three sugar refineries; that number is now reduced to one, the one that I represent.

1788. Can you tell us the quantity of sugar which was formerly refined in Bristol, and the quantity refined now?—The capacity of the refineries in Bristol, at the utmost, was, I believe, equal to 100,000 tons per annum at one period. That is now reduced to 40,000 or 50,000 tons.

1789. Now will you give us the amount with reference to Plymouth?—In Plymouth at one time could turn out 20,000 tons; but I am sorry

Chairman—continued.

to say that last year our house only melted between 7,000 and 8,000 tons.

1790. Was the sugar that you refined in Plymouth and in Bristol moist sugar, or loaf sugar?—Originally it was almost entirely loaf sugar. There is provision made for loaf sugar. We turned out 30 per cent. of fine loaf sugar, and the 70 per cent. would represent pieces, or what are called bastards and treacle.

1791. Are you speaking of the weight of refined sugar, or of the weight of raw sugar refined?—Of the weight of raw sugar refined.

1792. And you say that the proportion of loaf sugar is 25 to 30 per cent., and of pieces and syrup 75 to 70 per cent.?—Yes, according to the quality of sugar manufactured.

1793. What do you call "pieces"?—Pieces are moist sugars such as are now retailed by grocers.

1794. Where do you find markets for your productions?—Principally in the west of England and in the south of Ireland.

1795. And I presume that you sell them at remunerative prices?—Up to a certain period.

1796. Up to what period?—The bad times came upon us about the year 1864, I think, owing to severe continental competition.

1797. Did you get your supplies through London, or direct?—We import floating cargoes in what is called cargo season, pretty freely; that is, into Plymouth. We also draw supplies coastwise from Liverpool and London. Bristol has been the home of the West India sugar trade for many generations; they have imported very largely direct into their own port.

1798. I suppose they also receive supplies of beet sugar?—They do now, since the growth of beet has interfered with the production of the West India supplies, draw large supplies from Europe.

1799. But so far as the position of the port is concerned, they were favourably situated for receiving their supplies of raw sugar from the West Indies?—Certainly.

1800. Can you give me the quantities of raw sugar imported in tons?—I have before me the statistics

Chairman—continued.

statistics which I have obtained from the Reports of the Bristol Chamber of Commerce.

1801. You are now speaking of the importations into Bristol?—Yes. The raw sugar imported into Bristol in the year 1872 amounted to 83,760 tons; in the year 1873 it amounted to 88,750 tons; in the year 1874 it amounted to 85,466 tons; in 1875 it amounted to 99,335 tons (that was the best year that they have had); then, in 1876, it fell to 83,687 tons; 1877 shows a sad falling off to 43,414 tons; and last year the importations amounted to 43,855 tons; so that it has fallen to less than one-half to what it was in 1875.

1802. When you spoke about 1875 being the best year, you meant that the importation of raw sugar was largest in that year?—That is what I meant.

1803. You spoke of a falling off in 1877; was that principally owing to the failure of a large sugar refining establishment in Bristol, Messrs. Finzel's?—I presume so.

1804. Bristol imported some loaf sugar, I think?—Yes; there are direct importations, and only those can I quote with accuracy, because there is no record of what is imported coastwise?—The importations of refined sugars direct in the year 1876 were 10,810 tons.

1805. Was there no importation before that time?—Yes, but I have no reliable quotations. In the year 1877 the importations were 8,186 tons; and in 1878 they were 9,211 tons, or one-fifth of the whole consumption. I should like to say that the amount of duty paid upon sugars in Bristol was 300,000 *l.* on an average of the four years preceding the removal of the duties in May 1874, which is a very large item in the Revenue receipts for that city, and that is at the reduced rate of duty.

1806. Is your manufacture in Plymouth entirely restricted to moist sugar, or do you manufacture any loaf sugar?—At present our manufacture is restricted entirely to pieces, moist sugar.

1807. Has that been increasing, or decreasing?—It has been decreasing rapidly.

1808. Have you any figures to show that?—Our outturn in the year 1857 was just on 13,000 tons. Last year it was only 7,100 tons.

1809. How do you account for the fact of the production of moist sugar having decreased in Plymouth, when we have had it in evidence that in some parts it has largely increased?—We have felt it desirable not to go on manufacturing when no profit could be obtained, therefore we diminished our out-put.

1810. Then your experience goes to show that, although no moist sugar comes from France, yet the effect of the bounty upon loaf sugar has reacted so much upon moist sugar as to render it an unprofitable industry?—It has had a crushing effect. The top pressure has driven down the price of every grade below it.

1811. Does your experience lead you to believe that the moist sugar trade, even apart from the loaf sugar trade, is not a trade which is remunerative?—Very triflingly so.

1812. Supposing that the French, or any other nation, were to attempt the same with moist sugar as they have done with loaf, an exceedingly small bounty would practically extinguish that trade?—The margin is already so narrow that a simple 6 *d.* per cwt. would annihilate the trade.

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Mr. Bell.

1813. What is the value of moist sugar?—It averages 23 *s.* per cwt., taking the mean price.

Chairman.

1814. I suppose the moist sugar refiners are looking with considerable anxiety as to what conclusions this Committee may arrive at?—Decidedly so.

1815. Do you believe that not only loaf sugar, but moist sugar also, would receive a great stimulus if they could be assured against the continuance of these bounties?—Unquestionably; our eyes are all directed to the success of the efforts of the Government in this direction.

1816. And, I suppose, it being the fact that there are a large number of refineries quite ready to go on again, you believe that, if this confidence were restored, there would be such an increase in the production of moist sugar that the rise in price to the consumer would be exceedingly small?—The rise in price to the consumer would be inappreciably small.

1817. I suppose you believe that, in the ports that you speak for, Bristol and Plymouth, the loaf sugar industry could be revived if these bounties were done away with?—Within a very short period; within a week.

1818. I suppose you have no doubt as to your ability to compete in Bristol or in Plymouth, upon fair terms with any continental country, or with any town or city in the empire?—We are very well situated; we have some local advantages, and we turn them to the best account. I might say that during the Franco-German war we recommenced the manufacture of loaf sugar in Plymouth with considerable advantage.

1819. The stoppage of the French supply raised the price?—It gave us an opening; there were no supplies coming forward, and it gave us a chance of filling the market.

1820. You spoke of the year 1864 as having been the time when the bounties began to tell upon the production of sugar here?—Yes, we continued making for a short time, until 1868, because the bounties were then only half what they are now, owing to the lower rate of French duty. In the years 1868, 1869, and 1870 we discontinued; but, as I have already stated, we recommenced during the Franco-German war.

1821. Do you mean that you discontinued entirely?—Yes, for that period we discontinued the making of loaf sugar.

1822. Are you speaking now of Plymouth?—I am; and the same will apply to Bristol; they did not make loaf sugar during that period.

1823. Can you give the Committee any idea of the loss of capital involved by the stoppage of this refining in Bristol and in Plymouth?—That is a very difficult question to answer with any precision; but I should say that the sugar industry alone has sunk 600,000 *l.* in Bristol, and 150,000 *l.* in Plymouth, and there are other accessory interests which have also suffered, but I could not say to what amount. I might tell you that only yesterday I saw one of the Bristol charcoal burners, who told me that hitherto he had worked two houses in Bristol, but that he was obliged to close one and dismiss nearly a hundred men; that will illustrate the effect upon the other industries.

1824. In addition to the capital, of course a large number of workmen have been thrown

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out

Mr.
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Chairman—continued.

out of employment in those places?—I should say that in Bristol 500 men engaged in sugar refining were thrown out of employment, and, perhaps, 100 in Plymouth; and a great many men in other interests connected with the trade.

1825. So that, looking at it from all points of view, in your opinion, the ports of Bristol and Plymouth have been seriously prejudiced by the decline of this sugar industry?—Certainly; the consumption of coal in Bristol, amongst Bristol refiners, has diminished to the extent of from 1,200 to 1,500 tons per week.

1826. I believe coal is a very important element in the manufacture of sugar?—It is very largely consumed. I might correct myself by saying, that since the recommencement of one house, probably the diminution is not to that extent; I am referring to the time when Finzel's house was closed; it is probably now 1,000 tons per week less than it has hitherto been; I am quite within the figure when I say 1,000 tons per week.

1827. You are aware, of course, of the efforts which have been made by the present Government, and by previous Governments, by negotiation, to get rid of these bounties?—Yes, having frequently taken part in them, and interviewed members of the Ministry upon this question, as connected with the Associated Chambers of Commerce, as well as a sugar refiner.

1828. The object of all the Governments having been to stop these bounties?—Exactly so.

1829. If it is to be said that these bounties are in any way a benefit to the consumer, all the Governments for some years past that have existed have done their utmost to stop that benefit to the consumer?—Precisely so.

1830. Have the Chambers of Commerce in your district taken any steps in the matter at all?—I commenced the agitation myself in Bristol, and continued it in London and in Hull on different occasions, and I have always received most cordial support, and there was no opposition upon any occasion at those large meetings.

1831. There is no ground in your opinion for any assertion that the refiners of this country desire any protection from the natural advantages of other countries?—I have frequently said openly and unhesitatingly, "We want neither protection nor reciprocity."

1832. You only want, in fact, free trade?—We want free trade pure and simple; a freer trade.

1833. In your opinion, what is asked on behalf of the sugar refiners and sugar growers has already been done in the interests of other manufacturers; for instance, the interests of the manufacturers of spirits and cigars have been taken in charge by the Government, and a fair position secured for them?—I think every consistent and honourable consideration has been paid to them. You are aware of the position of the spirit distillers and also of the cigar manufacturers. The public have always admitted the justice that has been done to those industries by the suppression of what were considered bounties on the importation of foreign spirits and foreign cigars. The case seems to be on all-fours with that of refined sugar.

1834. Do you believe that, if they were on fair terms, not only would the loaf-sugar refiners of this country be able to secure the manufacture of much or most of the refined sugar that is imported, but they would also be able to secure a considerable portion of the export trade?—I believe we

Chairman—continued.

should. At the same time, I admit that a fair competition would have to be met, and that the consumer need fear no appreciable advance in the retailing price.

1835. You have spoken about the efforts which have been made by the Governments to put a stop to this bounty by means of negotiation; would you be in favour of suggesting, in the event of negotiations failing to secure that which is desired, any other means to compel foreign Governments to put an end to the bounty?—I think that the negotiations should be accompanied with some penal requirements or assertions.

Mr. Orr Ewing.

1836. Penal consequences?—Penal consequences.

Chairman.

1837. That is to say any Convention to be of value, in your opinion, should contain a clause by which a surtax should be placed upon sugar coming from countries that continued to pay a bounty?—I do. I think no laws are of any value unless a penalty is attached.

1838. And you would consider that that would be put on in the way of penalty?—I do.

1839. Not that you believe that such a duty would have to be imposed, any more than most penalties are supposed to be required, except with a view of compelling the countries to carry out their engagements?—Yes; and for that reason I should not wish it to be heavy.

1840. What, in your opinion would be a sufficient amount to countervail the bounty?—I should say something under a farthing per lb.; probably 2 $\frac{1}{2}$ per ton would have the effect of suppressing bounties.

1841. I suppose, with reference to an answer that you previously made, you believe the increase of price to the consumer would not necessarily be even as much as that?—I do not think the consumer would feel it.

1842. But you do not believe that the increase of price to the consumer would necessarily be even so much as a farthing per lb., which you say would be sufficient to countervail the bounty?—Not more than one-half of that.

1843. What is your reason for thinking that?—Because at present the bounty, which is represented by about 3 s. per cwt., is not enjoyed by the consumer; two-thirds of that, at least, are shared by the French sugar refiner, the commission agents, the carriers, and the intermediate sellers, leaving only one-third, or 1 s. per cwt., which is positively enjoyed by the consumer. Now that would be just one-half of the 2 s. countervailing duty, if I may so term it.

1844. But that would tend to show that a duty, even of 2 s., was not required, would it not, and that a lesser duty might be sufficient?—I do not think it would be worth while to impose a smaller duty. However, that is a question of detail which is well worth the consideration of experts. My own opinion is, that a duty of 2 s. per cwt. would meet the case.

1845. That amount has been named more than once, but in naming that amount have not all the considerations to which you have now alluded been taken into account?—Probably so.

1846. The bounty given by the French Government is really 2 s. plus all those expenses that you speak of; but the refiners of this country

Chairman—continued.

try say that 2 s. being the net result, after deducting the charges which the foreign refiner has to pay, is about the amount by which this country really benefits?—I should think so.

1847. But you believe, although this 2 s. duty was imposed, the competition would be so active amongst refiners here that the sugar would be sold to the consumer at the lowest possible producing price *plus* a reasonable profit?—That is so: it would be inappreciable by the consumer.

1848. And it could, under no circumstances, rise above that 2 s., because then the foreign sugar would come in and keep down the price?—Exactly so.

1849. Therefore, in your opinion, the raising of price to the consumer would be considerably less than the duty, and it could, under no circumstances, be greater?—In no case, I think.

1850. You spoke about this countervailing duty as a penalty; I presume that, in using that term, you meant to imply that if such an agreement were come to, it would, in your opinion, never have to be put in force?—I do not think it would.

1851. But your desire is simply, by an effectual means, to endeavour to carry out that which the Government have unsuccessfully endeavoured to do hitherto, by negotiations?—Yes, and which the Government of France have themselves recommended. The House of Assembly, by a majority of more than 100, passed a resolution that there should be no longer any bounty paid upon exports.

1852. In using the word "Government," you meant the Assembly, I presume?—I meant the vote of the Assembly.

Mr. Eugene Collins.

1853. Did you intend that this countervailing duty of 2 s. per cwt. should only apply to refined sugar, or that it should apply to raw sugar imported from other countries?—I meant it to apply to refined sugar.

1854. Entirely?—Yes.

Chairman.

1855. Have you the smallest reason to suppose that the French Government would agree to any Convention of that kind unless raw sugar were included?—I think justice should be done to all importers; and therefore if the case is made out as against Austrian or other raw sugar, it should also be enforced upon them.

1856. As to the amount of the surtax upon raw sugar you are not prepared to speak?—Not positively.

1857. But, as a refiner, you would be quite willing to see a surtax put upon raw sugar, if it came into the country with a bounty?—Certainly.

1858. If the sugar-refining industry of this country, and the sugar-growing industry of the Colonies were destroyed, we should have to depend for our supplies upon the continental sources, should we not?—Entirely so; the question of the permanency of the supply is one which we ought seriously to entertain at this juncture. The gentlemen representing the West Indian interests will have a sad story to give to you; but we must face the future, and endeavour, if possible, to strengthen our hands by drawing our supplies from as many sources as possible.

1859. You would regard with alarm any ex-

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Chairman—continued.

tion of our trade here, and in our Colonies; because you think it would not be a good thing for this country to have to depend for supplies upon the Continent?—I do.

1860. Is there any other matter that you wish to mention to the Committee?—I would instance the admirable foresight of the First Napoleon, who encouraged the growth of beet in France, in order that he might protect himself against the uncertain supplies from the West Indies in case of war. He instituted the growth of chicory and beet sugar, so as to secure, by the utmost means, what may be considered a permanent supply; we might take a leaf out of his book.

Mr. Courtney.

1861. Was he not driven to that; was it foresight?—I should think so.

1862. Was it not practically this: that all importation of cane sugar was impossible with such a blockade as existed?—Only during the war. That might happen to us.

1863. It was that which forced Napoleon to stimulate the growth of beetroot sugar at home; not foresight of a thing which might happen in the future?—Doubtless.

Chairman.

1864. Supposing that our growth of sugar in the West Indies was extinguished by this bounty, or from any other cause, and that we were entirely dependent upon the beetroot sugar from the Continent, it would be rather a serious matter for us in the event of war, would it not?—Quite so.

Mr. James Corry.

1865. How do you account for the great diminution in the quantity of moist sugar made in Bristol and Plymouth, in comparison with the extensive increase in Liverpool and on the Clyde?—So far as Bristol is concerned the facts there demonstrate themselves, that it ruined the refiners there to continue to make the sugar.

1866. Are there any advantages at Liverpool and on the Clyde, that you have not at Bristol and at Plymouth?—There might be, but they must be very small.

1867. But still they are sufficient to enable them to carry on a profitable trade at Liverpool and on the Clyde, that the Bristol and Plymouth people could not do?—I question its being profitable.

1868. They are increasing their trade very largely, are they not?—I would rather that the gentlemen from those towns should speak for themselves.

1869. You say that, in 1875, you had the largest importation of sugar into Bristol; was not that accounted for by the repeal of the duty?—Undoubtedly there was an impetus given to the trade; consumption sprang up very seriously.

1870. May not the diminution in the supply be accounted for by the depression in trade generally?—Not entirely.

1871. That, taken in connection with the increase in the refining on the Clyde and in Liverpool, seems to show that the supplies are being drawn to these ports on the Clyde and to Liverpool, in place of Bristol and Plymouth, does it not?—Of course they have to meet their wants, and they must import raw sugar to meet the demands of the refineries.

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1872. You

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Mr. James Corry—continued.

1872. You say that you draw your supplies from different places, and that you are also now importing beetroot sugar; are you aware whether the import of West India sugar has diminished or increased in the last five years?—It has diminished.

1873. To what extent?—It is one-third less than it was.

1874. To where?—Into Bristol. I am speaking for Bristol and Plymouth.

Mr. Eugene Collins.

1875. About what quantity of sugar do you refine weekly altogether, in Bristol and Plymouth?—From 800 to 900 tons, not more.

1876. That you refine exclusively into moist sugar?—Exclusively.

1877. You do not refine any into loaf sugar?—No.

1878. About what proportion of the respective descriptions of raw sugar do you usually use; I am speaking of cane as against beetroot?—I should think, in the western refineries, the proportions are two of cane sugar to one of beet sugar.

1879. Why do you select the cane sugar in preference to the beet sugar?—There is more strength in the cane sugar, and the palate of the public is such that it has to be met.

1880. Then, if another witness who states that he manufactures as much as between 1,500 tons and 1,700 tons a week, prefers to use beetroot sugar to the extent of two-thirds of raw beet as against one-third of cane, would you agree with him, because the two statements seem to conflict?—We have to make sugars of a certain standard, and of a certain class, to meet the markets which we supply.

1881. And that is the reason why you select the cane in preference to the beet?—Certainly.

1882. Irrespective of the taste of the consumer, that is to say of the purchaser, have you estimated the relative commercial values calculated upon the basis of the saccharine richness of beet and cane sugar?—It is calculated very minutely.

1883. Would you kindly, if it is not asking you too much, give your own experience, or, at all events, the opinion which you have arrived at?—I am not a practical refiner; I am at the head of the administration of the refinery, but I am not practically sufficiently acquainted to give minute details; I leave that to our manager.

1884. I think, in the previous answer that you gave, you stated that the relative commercial difference of value between the two was pretty well understood?—It is.

1885. But you do not happen to know it?—Not sufficiently to venture to give a decided opinion on the question.

1886. Will you kindly give an approximate opinion, so far as the information that you have derived from your inquiries enables you to do so?—You wish to know, I suppose, the saccharimetrical strength of the various sugars.

1887. In other words, the ordinary respective commercial values of the two as a raw material to be converted into a manufactured article?—I would prefer not to venture a decided opinion, because of my inability, not being minutely acquainted with these details.

1888. I will put the question in another form, and I will ask you whether the competition between the various kinds of raw sugars imported

Mr. Eugene Collins—continued.

into this country does, or does not, tend to equalise the market value?—Certainly it does.

1889. If that be so, doubtless they have their respective values, and the manufacturer of the raw material would be very unwilling to pay 3*d.* or 6*d.* per cwt. more for one than he would for the other, simply as a matter of choice?—If he knows his business he will buy the article best suited to his needs.

1890. In the course of the evidence which has come before us, it has, I think, struck the Committee with some degree of force that the bounty upon export, which has been calculated on German and Austrian sugars, amounts to something like 30*s.* or 40*s.* per ton; do you agree with the witnesses who have stated that it is so?—I should not think it was so large as that.

1891. Could you give an estimate, at all events, so far as your own opinion and experience go, of what that bounty might be?—I cannot say accurately.

1892. You agree with the witnesses who have stated that there is a bounty, but you cannot go to the extent of saying what the amount of that bounty may be?—That there is a bounty is unquestionable.

1893. Does it occur to you, as a manufacturer, that it would be in the interests of the manufacturers (I speak now of the refiners) to get the raw material of their manufacture, that is to say, raw sugar, imported say from Germany, or from Austria, at a lesser price, by the fact of the bounty, than they would otherwise get it at; is it not an advantage, generally speaking, to manufacturers, who have to compete, it may be, with foreign countries, to get the raw material of their manufacture at as low a cost as possible?—Certainly.

1894. And if the effect of the German and Austrian bounty (admitting, as you do, that there is a bounty) should be to reduce the cost of the raw material of their manufacture, would not that be a benefit to the manufacturers?—Yes; but it is obliterated by the same advantages being enjoyed by other countries.

1895. But you stated, I think, that the effect of any advantage afforded to the manufacturer by the bounty from Germany and Austria, would be to diminish the cost of the raw material of manufacture?—It must have that effect.

1896. If we also keep in view that, by the competition of the respective sugars, the action of price on the raw imported from Austria and Germany must also tell upon the great bulk of the sugars which are imported into this country, do you not think that it may be damaging to manufacturers to raise the price of both cane and raw beetroot sugar, simply for the purpose of carrying out the object which you have stated to the Committee?—Not to the small extent to which it would be likely to be carried out.

1897. I ask you simply for information, because that is the view that strikes myself. I have been looking into the question simply to ascertain about what proportion the Austrian and German raw sugar bore to the entire quantity of raw sugar imported into this country, and I find (without being too precise with regard to the figures) that it does not exceed about one-sixth. Now, if the effect of receiving one-sixth from a bounty-fed country is to diminish the cost upon six-sixths, or the entire quantity, do you not think that that would be some advantage to the manufacturer;

Mr. *Eugene Collins*—continued.

manufacturer; you have already stated that it would in the matter of German sugar?—Yes; to a small extent it is so.

1898. And, as regards the consumer, if the price of sugar were raised or depressed upon the entire quantity of a million and some hundred tons a year imported, to the extent of the bounty that we have been taking note of, do you not think that would seriously affect the consuming public, because, after all, the whole population does not consume refined sugars?—I do not think it will be appreciably felt. I might say that the consumption per head of refined sugar in this country does not amount to 11 lbs.

1899. Your answer is that it would not appreciably affect the consumer; but I understand that you admit the fact that it would affect him to some extent?—Very slightly.

1900. With regard to the manufacture, or rather the refining of sugar by English refiners, it has been stated in evidence that British refiners have, in the matter of mere manufacture, independently of considerations affecting bounties, advantages which would enable them to compete successfully with their foreign competitors, if the bounties were set aside; that is so, I believe?—I should think it was so.

1901. That is to say, there is nothing prejudicial to the manufacture by the process of refining the sugar in this country, in the various matters which are usually calculated in the processes of manufacture?—I know of none.

1902. Coals bear a large proportion, I believe, or a considerable proportion of the cost incurred in manufacture?—Yes.

1903. I use the word "manufacture" intending to say refining, because I will treat it as a manufacture; what is the quantity of coals per ton of sugar, or what are the proportions employed in the processes of manufacture?—An economical refiner would take care to limit his consumption of coal to something like 11 or 12 cwt. to a ton of sugar.

1904. Would that be for refining raw sugar into moist?—That would be the total consumption of coal for boiling his sugar, heating his house, generating all the steam necessary, and burning the charcoal, if he is economical and careful.

1905. Then, if a witness who has given us very interesting and valuable information, stated that the quantity of coals consumed in the manufacture of a ton of sugar would be two tons, can you agree with him in his estimate?—He must have had very bad coals if he used so much as that; I cannot contradict his figures; I think he must have meant two tons of sugar to one ton of coals.

1906. You will not answer the question if you do not think it a proper one; but about what per-centage does the labour bear to the price of the manufactured article, assuming that 12 cwt. of coals are used in the refining of the ton of sugar?—The larger the out-turn the less is the cost of labour.

1907. Could you state about what is usually estimated as the average per-centage on the turn out of the manufactured article?—That is a question of detail which I must leave to more practical men than myself to answer.

Mr. *Morley*.

1908. I should like to ask you a question as to the relative sweetness of French and English
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Mr. *Morley*—continued.

loaf sugar; take a pound of ordinary French loaf sugar and a pound of English loaf sugar, which of the two has the most sweetness in it?—I should say the English loaf sugar if made from cane sugar.

1909. But is there any certain public opinion upon that point?—I think the fact that there are certain consumers of loaf sugar in London, who will have no other than cane-made loaf sugar, testifies to the fact that it is superior.

1910. It is an element in the matter, because I think I understood you to say that a farthing per pound would turn the scale either way?—Decidedly it would.

1911. And if there is decidedly more sweetness in a square inch, say, of English loaf sugar than there is in the same bulk of French loaf sugar, I wonder the public do not find it out?—I think the experience of all persons must indicate that they use three knobs now where they used to use two.

1912. Is not John Bull generally shrewd enough to discover that where two lumps of English sugar would suffice, especially where there is only a difference of a farthing a pound between the two kinds of sugar, it would be absurd to continue buying French sugar, of which he would have to use three lumps?—John Bull is very liberal and he is very indulgent.

1913. Is loaf sugar made from Austrian raw sugar?—As we are not making loaf sugar, I am not in a position to answer that question.

1914. Austrian raw comes in with the bounty allowed upon the raw sugar, so that we get it cheaper?—Yes.

1915. Are you aware what was the practice, when we had a duty in England for revenue purposes, as to refining in bond; was it all done in bond?—Our house in Plymouth never worked under bond; our production was all absorbed by the home and Irish markets immediately.

1916. Have you had any experience of the difficulty, or otherwise, of refining in bond?—I know that we have cheerfully volunteered to work under bond when it was suggested to us. We, in fact, made a proposal to put bars to our windows and to alter the ingress and egress of our premises.

1917. You have no idea whether there would be any difficulty in the French manufactories; all their ordinary moist sugar is manufactured in bond, is it not?—The sugar manufactured by the *fabricants* is all manufactured under bond and under Excise surveillance.

1918. And, therefore, it would be a continuance of the working in bond if their loaf sugar were refined in bond?—It would be a simple application of the same plan.

1919. You have suggested that a countervailing duty, or a surtax, would be an efficient remedy in the event of refining in bond not being adopted?—I think it would.

1920. Have you endeavoured to follow out the process of charging a countervailing duty; the establishment of custom houses, for instance, and the 50 modes in which we should have to watch against the introduction, by surreptitious means, of the sugar without duty being paid?—Custom houses being still in existence, I think a simple uniform duty would be easily applied, and easily and economically collected.

1921. You would, of course, limit the ports at which sugar should be imported?—It would only
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Mr. Morley—continued.

be imported where a custom-house was in existence with a staff of officers.

Mr. Thornhill.

1922. Do you believe that if the foreign bounties were set aside it would stimulate the growth of beet sugar in England?—I am not prepared to say; I think our climate is scarcely so suitable for growing beet as the broader area of the Continent.

1923. Do you think that if things go on as they are at present, it will injure, or perhaps annihilate, the cane-grown sugar production?—It is rapidly doing so.

1924. Would it be an advantage to the public rather to keep on the cane-grown sugar, as we should do if we did away with the bounty, or would it be better if we retained the present system, and by so doing stop British cane-grown production?—I should encourage as many sources of supply as possible, especially those that are immediately connected with our own kingdom.

Mr. Orr Ewing.

1925. Of course it is an advantage to the sugar refiners of this country to have cheap sugar coming in here, because of the bounty paid by foreign Governments?—Unquestionably it is.

1926. But it would not be an advantage to the West Indies, or to our Colonies growing sugar?—No.

1927. It would be as injurious to them as bounties upon the refined sugar are to the sugar refiners in this country?—Quite so.

1928. You object to it on principle, on the ground that the sugar is imported, not under the natural advantages which the country has of producing cheaper sugar, but under artificial advantages given in the shape of money from the Government of the country where it is grown; stimulating the agricultural interest there, and preventing us, if possible, from growing beetroot to a greater extent in this country if they were not so favoured?—Quite so.

1929. You gave it as your opinion that the climate of this country is not very favourable to the growing of beetroot; but have you turned your attention specially to that subject?—I am aware that the earlier experiences, the only experiences of any magnitude, were not attended with any advantage to the growers.

1930. But that was done under the weight of the bounties paid by foreign countries, was it not?—Yes.

1931. But it is not a question that you are prepared to give any definite opinion upon?—I have not turned my attention to that question to any extent. We did entertain that question about 12 years since, in Devonshire, but some eminent scientific men considered that our climate was too moist and too heavily charged with saline matter; that is, so far as Devonshire is concerned.

1932. That part of the country might not have been suitable, but other parts of the country might be quite suitable?—That might be possible; I am not aware whether that is so.

1933. Do you consider that bounties given by Government to any industry are unjust to the traders in foreign countries to which that favoured article is exported?—Quite so.

1934. I presume that the foreign refiner of sugar and grower of sugar have a considerable

Mr. Orr Ewing—continued.

advantage in being able to obtain much cheaper labour than can be procured in this country?—Not to the extent that has been stated, I think.

1935. Are you prepared to state the relative prices of labour in France, and Germany, and Austria, and in this country?—I do not think the short hour system has affected the sugar refining industry in England to any extent.

1936. I am not alluding to the short hour system because it does not apply to men, and I presume you have no women employed in a sugar refinery?—No.

1937. But do you know what a man earns per week in France, in Germany, in Austria, and in Holland, and what we pay here?—I am not sufficiently acquainted with it to tell you.

1938. Therefore your opinion that the wages are not very different is not founded on any knowledge?—I do not think there is much difference.

1939. I thought you said that you had no knowledge on the subject?—Only from casual reading. I have not made it a subject of investigation.

1940. You were asked as to the comparative amount of saccharine matter contained in sugar made from beetroot and in sugar made from cane; and, I think, you said that you could not state the difference?—No, I am not prepared to do so.

1941. The question which was put to you was, if such a small difference of price as a farthing per pound would enable you to have a prosperous trade, and considering that the quality of refined sugar made from cane is superior to that made from beetroot, why do not people distinguish the difference and pay a higher rate; is it not a fact that amongst the great body of consumers of this country cheapness is considered rather than quality?—Quite so.

1942. They know the value of a penny, but they have not knowledge sufficient to know whether there is more saccharine matter in the sugar, or not?—I do not think that enters much into their consideration.

Mr. Bell.

1943. You spoke of the local advantages possessed by Plymouth as a sugar-refining locality; what are they?—It is an open port into which vessels come immediately from the Channel with floating cargoes. That is one advantage.

1944. That means that a cargo of raw sugar, coming from the West Indies, is brought to Plymouth for a somewhat less freight than to another port?—Not much less; but there is a saving of time and the port charges are low.

1945. That must be an infinitesimally small advantage, I suppose?—It all counts up.

1946. Still upon a ton of raw sugar that cannot make any serious difference?—Upon a cargo it is something.

1947. Of course it is something, but it is very little?—It is only littles that we are living on.

1948. It does not amount to 6 *d.* per cwt., or half that, does it?—That would be splendid.

1949. You say that you have local advantages, but you are not prepared to formulate what those local advantages are?—They are the advantages of position, it being an accessible port at all times of the tide.

1950. But

Mr. Bell—continued.

1950. But you are not able to tell the Committee what the advantage amounts to per ton for raw sugar?—It would probably make a difference to the extent of 2 s. 6 d. or 5 s. per ton.

1951. You mentioned the item of charcoal; how much charcoal do you require to make a ton of sugar?—About 14 to 15 cwt. It is used over again; it is all reburnt.

1952. You spoke of one manufacturer of charcoal as having had to stop his works in consequence of the diminished output of sugar; what was his weekly turn out of charcoal?—That I am not aware of.

1953. One hundred men would be able to turn out a very large quantity of charcoal, would they not?—Yes.

1954. But you are not able to say how much?—I am not.

1955. With regard to the falling off in the weight of coal used in Bristol, you first mentioned 1,500 tons a week as the diminution, which you afterwards corrected, and put down at 1,000 tons a week.

1955*. One thousand tons a week amounts to 52,000 tons a year, and if they used half a ton, which we have it in evidence is the quantity consumed, per ton of sugar, that would represent a make of 104,000 tons of sugar?—I have quoted 100,000 tons as being the amount of output in Bristol when Mr. Finzel was working fully.

1956. But you say that they have diminished the consumption of coal to an extent equal to the maximum output of sugar at Bristol; but they are still continuing to make half the quantity of sugar that they did before, and therefore the diminution in the quantity of coal consumed can only be about half that which you have stated?—I speak of that certainly subject to correction. I am not prepared to give the precise weekly consumption of coal, but it was the amount that occurred to my mind as being the quantity. You are aware that the smaller the output the higher does the quantity of coal used rise relatively.

1957. Still the economy could never amount to as much coal as was required to make the maximum quantity?—Perhaps not.

1958. You spoke of the admirable foresight of Napoleon in fostering the manufacture of sugar; you are aware, are you not, that the French Government at the time exercised also a similar amount of foresight in the manufacture of saltpetre, the reason being that, as an honourable Member mentioned, it was impossible to land either saltpetre or sugar in France at the time; but immediately the war ceased, and the shipping trade with other nations was re-established, you are, perhaps, aware that the manufacture of saltpetre was discontinued in France?—I have not furnished myself with that information.

1959. An honourable Member asked you about the difference of saccharine matter in English loaf sugar (that is cane sugar, as I understood it) and French sugar; and you mentioned that there was a considerable difference, and you illustrated that by saying that three knobs of French sugar were about equivalent to two knobs of English sugar?—Excuse me, I may have said that three knobs were used instead of two.

1960. Therefore, the inference is, that you use the three knobs of French sugar to produce the same effect that was produced by the two knobs of English sugar?—I do not think that economy

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Mr. Bell—continued.

is considered in the question at all; sugar is so cheap that it is used very liberally.

1961. I think the question was distinctly put to you with a view to ascertain what is the difference of value; speaking of it in reference to the saccharine matter, in reality is French sugar worth 33 per cent. less than English sugar, which was implied in the answer that you gave to the honourable Member for Bristol?—I should say it is not so serious a difference as that.

1962. Generally speaking, people sweeten their tea to a certain point, and if they were using strong sugar they would use less of it than they would use of weak sugar; in fact, if the Committee went the length of inferring from your answer, that the French sugar was 33 per cent. worse than the English sugar, they would draw an incorrect inference?—I do not wish to assert that.

1963. You seem to apprehend that anything which took place to put the West India cane sugar out of our market would be a serious matter for this country?—It would.

1964. But still, I suppose, if raw beetroot sugar could be introduced into this country cheaper than raw cane sugar, the British public and the refiners would have no alternative but to buy beetroot sugar in preference to cane sugar?—They would have no choice.

Mr. Courtney.

1965. When did you sign the memorial in favour of refining in bond?—I was not then in the position I now occupy. My predecessors were the parties who signed that petition, Messrs. Bryant and Burnell.

1966. You do not know when it was?—I do not remember. They acted in concert with the trade.

1967. It was in 1872, I think?—It was about that time.

1968. Of course, refining in bond would now have no operation whatever upon the English refiner?—No.

1969. He recommends it to other refiners abroad, but it would not be practically applied to himself?—We should have no objection to it.

1970. But it would not, as a matter of fact, be applied to you?—It would not be necessary, there being no duty.

1971. And, so long as there is no duty, the system would have no domestic application whatever?—There is no check necessary.

1972. So that you are only putting yourself to contingent inconvenience by making that recommendation?—Certainly not.

1973. It is only a risk, which in all probability will never be realised?—Precisely.

1974. Do you know that that matter was very much considered by the Select Committee in 1862?—Yes.

1975. And that the sugar refiners of the country then gave evidence upon the question?—I do not remember the nature of that evidence.

1976. Do you know the name of Mr. Fairie as a sugar refiner?—Yes.

1977. Do you know the name of Mr. Gadsden?—Yes.

1978. Mr. Martineau?—Yes.

1979. Mr. Fryer?—Yes.

1980. Would you be surprised to hear that all those gentlemen gave strong evidence before that

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Mr. Shepherd.

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Mr. Courtney—continued.

Committee to show that refining in bond was impracticable?—The circumstances, as they then existed, induced them so to express themselves.

1981. The system of refining in bond would then have been applied to themselves, would it not?—And to the country generally, probably.

1982. They then thought it impracticable and now they think it easy. Is there not some little inconsistency in making this recommendation to foreign refiners so glibly, when we ourselves pronounce it impracticable?—I should think not now, seeing that the nature of the position has entirely changed.

1983. I see that there were four draft reports presented by members of that Committee; three of them refer to this question and the fourth does not; and all the three that refer to it lay it down that the system of refining in bond could not be recommended at home; do you not think that if we now strongly recommended it abroad, when we came to so clear a conclusion that it could not be adopted at home, we, as a nation, would be rather exposed to the charge of inconsistency?—I should think those gentlemen who identified themselves with that recommendation would be the best persons to give an answer to the question.

1984. You were asked a question or two just now about the relative wages here or abroad, and I think you said you did not know much about it?—I do not know the average rate of wages given to the men in the refineries.

1985. Supposing that it were clear that the wages of labour in the sugar trade abroad, say in France, were much below what they are here, would you consider that a circumstance to be taken into consideration by us?—To a very small extent.

1986. Would you think that it ought to be taken into consideration?—There is not much importance to be attached to it.

1987. Whether that difference exists, or not, is a subject upon which you are not able to pronounce an opinion; but, supposing that a considerable difference in wages did exist between the sugar refining trade abroad and the same trade at home, would you consider that a circumstance which ought to be taken into account?—Yes, if other contingent circumstances as to the cost of material for refining were also taken into consideration; do not take up one subject and drop another.

1988. I do not understand you; will you explain that?—Supposing that labour was cheaper, and coal dearer; let one equipoise or balance the other.

1989. You do consider that, in proportion to production at home, we ought to take into account the difference of cost of production here and abroad?—Clearly.

1990. You think that we ought to equalise the cost of production, that is to say, that we ought to impose an import duty, so as to make up the difference, if the cost of production abroad were less than it is here?—I have not asserted that; I say that if you are considering very forcibly any diminution in the cost of labour you should also consider the cost of fuel.

1991. But, in order to avoid that difficulty, I put it more generally to you; supposing that it were shown that the cost of production abroad was considerably less than it is here, would that be a circumstance that the Legislature should

Mr. Courtney—continued.

take into account, so as to equalise matters?—I do not say so.

1992. I think you said you thought it should be taken into account; but probably you did not understand the question?—I only said that I thought the labour should be considered in connection with the other charges, such as fuel.

1993. But they all come under one class, namely, under the head of cost of production?—You have asked me the question whether we should consider the diminished cost of labour on the Continent; I only say in conjunction with other charges that may be consequent upon production.

1994. Supposing that the other charges were shown to be equal (you certainly would not consider hypothetical circumstances), and that the charge for labour abroad was very much less for producing a ton of refined sugar than it is at home, should the Legislature take that into consideration?—We wish them to permit all natural advantages to be enjoyed by the producer. It is the unnatural fiscal arrangements that we object to.

1995. Then you would not take into account the difference in the cost of labour?—I would not.

1996. With regard to the relative advantages of Plymouth, as a centre of industry, you could not put them very high, apparently, in answer to the honourable Member for Hartlepool?—No.

1997. As compared with Bristol, for example, as a port of entry, the advantages of Plymouth would be about the same?—They would be about the same.

1998. As compared with Bristol, would not Plymouth be under considerable disadvantage in respect of coal?—To some extent it would.

1999. There is no coalfield near Plymouth, is there?—No; all the supplies are drawn from South Wales.

2000. And there are coalfields close to Bristol besides the South Wales coalfield, are there not?—Yes.

2001. Then you must be under a considerable disadvantage at Plymouth?—That we have to bear.

2002. Where the trade is run with such very narrow profits, is not that almost enough to explain the extinction of Plymouth?—No; that alone would not be sufficient.

2003. Would you say that the cost of bringing the raw material into the port was the same at both places?—About the same.

2004. The cost of this most important element of manufacture is very much higher at Plymouth than at Bristol, is it not?—It is higher; but we have to meet that by diminishing other charges, cutting it as fine as we can.

2005. When did the diminution in the sugar refining at Plymouth first begin?—In 1864.

2006. Was there no decline before that?—No; we worked up during the time that the French refines were coming over; but that was at a lower rate of bounty when the duty was one-half. After the Franco-German war, when the duty was doubled, the bounty was doubled, and that excluded us.

2007. Going back before 1864, was it a decreasing or an increasing trade?—I can give you the figures of our out-turn. We had kept on a pretty equal out-turn year by year. It diminished from about 13,000 tons to between 11,000 and 12,000 tons; and after that, when the bounty was considerably increased, it fell off.

2008. What

Mr. Courtney—continued.

2008. What year are you speaking about?—In 1857 we turned out 13,000 tons; and it came down to 7,100 tons last year.

2009. How did it run from 1857 to 1864?—The quantity of raw sugar melted in 1857 was 13,000 tons; the next year, 1858, it was over 12,000 tons; in 1859 it went down to 8,500 tons; in 1860 it had sprung up again to over 10,000 tons; in 1861 it was 9,850 tons; and in 1862 it was 9,500 tons.

2010. Do not those figures bring out the fact that the trade was declining before 1864?—If you take a year or two later, in 1866 it was 10,600 tons; and in 1867 it was 11,000 tons.

2011. You said, in answer to the Chairman, that the trade began to decline in 1864, owing to the bounty: when you look at these figures you see that it was declining from 1857 to 1864; in fact the amount was higher in 1857 than in any year afterwards?—The diminution was not so serious until the duty was doubled in France.

2012. But surely the diminution between 1857 and 1859 was more serious, relatively, than anything that has happened since; it was from 13,000 tons to 8,000 tons?—That might have been owing to some circumstances of the market.

2013. It kept on much in the same way, did it not?—It rallied again afterwards, and it came up to 11,000 tons in 1868.

2014. That is a good many years afterwards, when you say the bounties were in operation; what I wish to bring out is this: was not your trade in Plymouth declining from other causes before these bounties began to operate?—To some extent it was.

2015. You laid some stress upon the national policy of maintaining supplies from our colonies, even although we might get perfectly trustworthy supplies from other quarters?—The term, "perfectly trustworthy," is doubtful. There is nothing perfectly trustworthy, and that is a reason why we should have more strings to our bow.

2016. Have you any sympathy with the claims of the Australian and South African wine-growers?—I have not considered that question.

2017. They urge, especially the South Australian wine growers, that they produce exceedingly good wines, which are hampered by the duties now levied on their importation, and that if they could get a little advantage we should have, from our own colonies, very excellent wines which require a little bounty, that is to say, a little diminution of duty to encourage trade; have you any sympathy with them?—I have not considered the question. I know nothing of the trade.

Mr. Bourke.

2018. I think you said that, all round, the price of the sugar that you produce is about 23 s. per cwt.?—That is the present average price. I am afraid it is falling.

2019. You have said that during the Franco-German war, the price increased very much; what was the price during the Franco-German war of that which now costs you 23 s. per cwt.?—Just then sugars were, of course, considerably dearer. I see that the average price of loaf sugar turned out during the Franco-German war was 50 s. 2 d. per cwt., and the price of pieces was 32 s. 5 d. per cwt. That is from our average book.

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Mr. Bourke—continued.

2020. You said that the price was about 23 s. per cwt. all round now?—Yes, it is the medium price.

2021. Taking these figures which you have just given, and comparing them with that, what would be the medium price during the Franco-German war?—Thirty-two shillings and five pence for pieces.

2022. Is that the price as compared with the 23 s.; there were two descriptions of sugar, one at 50 s. 2 d., and the other at 32 s. 5 d., I think?—Then I should add the two together and divide by three; the average price of soft sugar being 32 s. 5 d., and of the other 50 s. 2 d., the medium would be 38 s. 4 d.

2023. You said that 23 s. was the mean price at present, did you not?—Yes.

2024. The mean price of what?—Of our out-turn.

2025. Of refined sugar?—Yes, of what we manufacture.

2026. During the Franco-German war, what was the mean price of that same out turn?—I can hardly give the exact comparison, because I have not the precise proportions of the quantity of loaf sugar to the quantity of soft sugar turned out. The price that we got for loaf sugar was 50 s. 2 d., and the price that we got for the moist was 32 s. 5 d., but I have not the precise proportions. Presuming that they were two portions to one, that would give a mean of 38 s. 4 d.; but I am not quite certain that is correct.

2027. Do you recollect, in the year 1871, during the Franco-German war, what was the rise in price per cwt. which took place in the sugar that you manufactured?—I suppose not more than 4 s. per cwt.

2028. And during the Franco-German war you say that you had pretty good times?—Yes; but they did not last long enough.

2029. Do you know the difference between the cost of coal in Paris and the cost of coal in Plymouth?—Yes, very nearly; I spent a day in one of the South Wales collieries last week, and I find that the cost of coal in Paris is just double what it is in Plymouth.

2030. How much do you pay in Plymouth?—The price varies; that is a question for manufacturers and managers; I am not prepared to say very accurately.

Mr. Orr Ewing.

2031. What is the price in Paris?—Over 1 l. per ton.

Mr. Bourke.

2032. Therefore, there is a difference of 10 s. per ton on the price of coal?—More than 10 s.

2033. And that would be a difference of 5 s. per ton on the out put of refined sugar?—Yes.

2034. Do you know the difference in the price of coal at Plymouth and at Bristol?—It is cheaper at Bristol than it is at Plymouth.

2035. How much cheaper?—I am not aware; something must be considered as to the effect produced and the quality of coal. I am not very conversant with the character of the Bristol coal; I have had no experience of it, personally.

Mr. Orr Ewing.

2036. But coal at Plymouth must be cheaper than it is in London?—Not very much, because the competition in carriage is so great that it is brought into London at a very low rate.

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2037. By

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Mr. Orr Ewing—continued.

2037. By whom?—By rail into the refiners' yards.

2038. Do the sugar refiners in London, taking Mr. Duncan, for instance, get it by rail?—I have no doubt that he will answer that question; I should get it by rail if I were Mr. Duncan, and I think he does; he ought to, but as I was never in his place I cannot say.

Chairman.

2039. You say that coal is cheaper in Bristol than it is in Plymouth?—Yes.

2040. Yet the natural advantages which Bristol has, as compared with Plymouth, with regard to coal, have not prevented the refining in Bristol from falling off from 100,000 tons a year to 50,000 tons a year?—They have not.

2041. Something has been said about the relative price of coal here and on the Continent, giving an advantage to our manufacturers here; do you consider it right that any natural advantage that we have in the price of coals should be extinguished in our own markets by means of a foreign country?—I do not think they should be, but they are.

2042. If we have that natural advantage, it would go to show that, on an equal footing, we could not only manufacture our own loaf sugar, but that we could probably obtain a considerable share of the export trade?—I think so.

2043. And all that prevents that being done is the present bounty system?—Quite so.

2044. And that system the Government of this country has, over and over again, endeavoured to put a stop to?—Yes.

2045. Something has been said about the sugar refiners not desiring to come under the system of refining in bond, which they are pressing upon their Continental neighbours; but is it within your knowledge that, in 1872, when the refiners of this country signed a memorial in favour of refining in bond, they would have had to come under that system themselves?—Yes, we were willing to adopt that system.

2046. As a matter of fact, what you were asking for at that time you were willing to bear, and would necessarily have had to bear?—Quite so; we offered to bear the expenses.

2047. Something has been said about the evidence given by our refiners, in 1862, against refining in bond; do you agree with Mr. Gadsden that the circumstances changed very considerably between 1862 and 1872, and that one of the great changes was that there was less facility for fraud?—That was so.

2048. May I take it that, perhaps, the minds of the refiners might have been influenced to some extent, in 1862, by the fact that, by the system then being carried on, they obtained a bounty?—It was very small, if any.

2049. You were not in business at that time?—I was not at the head of the concern.

2050. But still you think the system of refining adopted in 1862 gave, to some extent, a bounty?—Only to the exporting ports.

2051. And that being the case, you think it not unlikely that the minds of the refiners, in 1862, might have been, to some extent, influenced by that fact?—Perhaps so.

2052. Probably it is to that fact that we owe the opposition of refiners on the Continent coming under that régime?—Clearly so.

Chairman—continued.

2053. That régime, if they came under it, would extinguish the advantage which they derive under the old system?—Certainly.

2054. You were asked with reference to the question of the difference in the price of labour abroad and at home; in answering that it ought to be taken into account, you did not mean to imply that we should be justified, in taking that fact into account, in protecting our manufacturers against it?—No.

2055. And, so far as you know, if it should be proved that the sugar refiners are unable to compete on free-trade principles, you would be willing that they should go to the wall?—Quite so; we have admitted that publicly.

2056. You would not desire that we should attempt to countervail any natural advantage which France has?—I have already said so.

2057. In taking the price of labour into account, you merely referred to the relative cost of refining?—Certainly.

Mr. Courtney.

2058. What do you mean by taking a thing into account?—You are referring, I presume, to the natural advantages of cheap labour

Chairman.

2059. When you spoke about taking it into account, you merely had in your mind the question of pure calculation as to whether sugar could be produced cheaper in France than in England, and one of the factors in coming to any conclusion upon these calculations is the cost of labour?—Exactly.

2060. And, so far, you would take it into account; but you do not desire to take it into account in pressing any remedial measure upon the Government?—No; certainly not.

2061. And as you do not wish to be deprived of the natural advantages which England has, you would not advocate that any other country should be deprived of her natural advantages?—Certainly not.

2062. And if they have natural advantages, you are willing to submit?—Quite so.

2063. So far as the difficulties of refining in bond are concerned, you are aware that this question having been discussed at several conferences, conclusions have been arrived at, at more than one conference, in favour of refining in bond?—Yes.

2064. And that refining in bond has been agreed to by the French Assembly, by the Belgian Assembly, and, practically, by the Dutch Assembly?—Yes; and as frequently postponed.

2065. Something has been said about Bristol and Plymouth being able to refine their sugar, and about that trade still being carried on in Liverpool, and on the Clyde; I suppose all this goes to show that the margin between profit and loss is exceedingly small?—It is very trifling.

2066. And that while it may be possible to carry on the trade in some localities, the smallest disadvantage in any locality is sufficient to extinguish the trade, or to greatly reduce it?—Yes.

2067. You are aware that at the time of the abolition of the duty on raw sugar a very great impetus was given to the consumption of sugar?—Yes.

2068. That

Chairman—continued.

2068. That ought to have led, ought it not, to a very considerable degree of prosperity in the manufacture of sugar?—We anticipated that it would have that effect.

2069. And as a matter of fact it did so?—It did.

2070. That accounts, to a very great extent, for the increased production of moist sugar which now goes on, does it not?—It does.

2071. But it does not at all imply that the prosperity which was then started has continued?—It has not.

2072. As a matter of fact, since that time have not many moist sugar refineries been closed?—Several of them.

2073. In consequence of their being unable to compete with the French bounties in consequence of the effect which the French bounties on loaf sugar had upon the price of moist sugar?—That is so.

2074. Where have those houses been closed?—In Bristol and Plymouth. The production has decreased from 100,000 tons to 50,000 tons in Bristol. I stated that there were formerly from 12 to 16 houses in Bristol, but that there are now only three; and that there were three in Plymouth, but there is now only one.

Mr. Courtney.

2075. I thought you said, in answer to the Chairman, that the moist sugar refining business was declining, and that houses had been shut up?—It is not profitable.

2076. As a matter of fact, moist sugar refining is increasing, according to the statistical figures?—In some districts.

Chairman.

2077. You are speaking for Bristol and Plymouth?—I am speaking only for Bristol and Plymouth.

2078. As a matter of fact, has the production of moist sugar decreased in Bristol?—In both towns, in Bristol and in Plymouth, it has decreased.

Mr. Courtney.

2079. May not that be entirely explained by the fact that the industry has been shifted to other places in the United Kingdom?—There are some supplies that come from other districts.

2080. If the total amount of moist sugar refined in the United Kingdom has increased, as we know from the Returns of the Board of Trade it has, the fact that certain manufactories have been shut up in Bristol and Plymouth only shows that the industry has been transferred to other parts of the United Kingdom; is not that so?—Perhaps you are not aware that the class of goods turned out from the western refineries are of a higher class than the average.

Chairman.

2081. May I take it that the moist sugar produced there comes more into competition than the loaf sugar?—It is the class immediately below it, the refined crystals.

2082. That would account for the decrease in your particular branch?—Precisely; they are excluded by the low price of the French loaves.

2083. I am afraid that, unintentionally, you have communicated incorrect information upon one point; and as doubtless the economical conditions of manufacture will be considered in

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Chairman—continued.

France and in this country upon the evidence given, I should like to give you an opportunity of correcting a statement which I do not think you will sustain; with reference to the cost of coals, you stated that you had been in South Wales lately and that you had been collecting the best information you could as to the relative cost of coals in Bristol and Plymouth as compared with Paris; you are aware that the difference in the cost of coals consists simply in the freight of the coals from the producing districts in Wales to the respective places; assuming, and I believe I am correct in the assumption, that the price of the best steam coals in South Wales at present is about 8s. 6d. per ton, would it not be a fair allowance for the cost of conveyance of those coals to Bristol to allow something like 2s. per ton, making the price at Bristol about 10s. 6d. per ton?—I do not think Bristol draws supplies from South Wales, but from pits immediately adjacent to the city.

2084. You use South Wales coal chiefly at Plymouth, do you not?—Yes.

2085. Is not the cost of freight from South Wales about 5s. 3d. per ton at present?—About that.

2086. Assuming that 8s. 6d. per ton is the cost of coals in South Wales, that would make the cost of Welsh coals in Plymouth about 13s. 9d. per ton, would it not?—That is presuming that we gave 8s. 6d. per ton.

2087. I believe that the cost of freight and conveyance of coals to Paris is about 8s. 6d. per ton, is it not?—I am not aware of the exact freight to Paris; but one of the largest coal proprietors, with whom we have a heavy contract, told me that the cost of coal, similar to that which we use, was double in Paris to what it was in Plymouth.

2088. If it turned out, upon further evidence, that the cost of freight and conveyance of coals from the Welsh ports to Paris was 8s. 6d. per ton, that, added to the 8s. 6d. which was the cost of the coals, would make 17s. per ton, would it not?—Yes.

2089. That would be 17s. per ton at Paris, as compared with 13s. 9d. at Plymouth?—Yes, but my informant stated that coals in Paris cost more than 17. per ton, and I have reason to believe that he was correct. He had no object in deceiving me.

2090. Even taking his figure of 17. per ton, nevertheless, if we take the cost at Plymouth at 13s. 9d., according to the statements that we have now under consideration, it would be nothing like double the cost, would it?—But we do not pay 13s. 9d. per ton.

2091. You pay less than 8s. 6d. per ton?—Yes.

Mr. Morley.

2092. Some rather mystified statement was made about the effect upon labour not being a factor in considering this question; you have given evidence that 500 labourers have been thrown out of work in Bristol, and 100 at Plymouth?—More than that.

2093. I suppose you would say that it is a very serious thing that that should occur, and that this country should get the benefit of a reduction of only a farthing per lb. on sugar; it is a matter worth considering, is it not?—I think it is a very high price to pay for such a small benefit.

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2094. I

Mr. Shephard.

26 June
1879.

Mr. GEORGE MARTINEAU, re-called; and further Examined.

Chairman.

Mr. Alexander Brown—continued.

Mr.
Martineau.

26 June
1879

2094. I BELIEVE that you wish to give some explanations with reference to the evidence that you have given before the Committee?—I do. In answer to Question 618, I stated that I had never been informed of any steps having been taken with regard to the representations made before the mixed Commission. That is incorrect, my memory did not serve me well. Of course I am perfectly aware that steps were taken from time to time, but that nothing was done with respect to the representations made before that Commission. Then, in answer to Question 629, I made an error in mixing up the Amendment of 1872 with the Amendment of 1874; they were separate and distinct Amendments; in fact, in 1874 there were five Amendments before the National Assembly. I only wish to correct that, because I might be taxed with misstatements afterwards. Then at Question 694 you asked me this: "So that we may say that the French Assembly, the Belgian Assembly, and the Dutch Assembly, assented to refining in bond," and I said, "Yes." I should have said that they assented to the Convention, because, of course, Belgium never did assent to refining in bond. Then I wish to explain that I misunderstood Question 827, and that my answer referred to the Conference of 1877. Then in answer to Question 915, with regard to the importation of Russian wheat to this country during the Russian war, I ought not to have said, "I cannot say," because I can say. I had not time to think at the moment; however, that will probably be explained in my further examination.

2095. Then I will ask you, are you now prepared to give an answer to that question: "Do you know that it was stated over and over again that we had a great deal of Russian wheat brought into this country during the time of the war with the Russians in 1854, that wheat being shipped to us through German ports, and that certificates of origin in that case did not keep out this Russian wheat which we intended to do by the blockade; is not that an analogous case to what might happen as regards sugar?"—I do not think it is an analogous case, for this reason, that I believe the case that Mr. Alexander Brown was dealing with was the supposed case of two countervailing duties being in operation, a larger one on the Austrian sugar than on the German sugar. My answer, therefore, is this: that Germany, having to meet a smaller countervailing duty than Austria, would take care that Austrian sugar should not avail itself of German ports in order to come and compete with German sugar in the English market at the same countervailing duty.

Mr. Alexander Brown.

2096. That would be true from the previous questions and the answers that you gave me; I had then in my mind the question of whether, by certificates of origin, you could ever really decide where the sugar or the wheat came from?—What I meant was that the wheat case was not parallel with the sugar case, because Germany had no particular object in stopping the shipment of Russian wheat, Russian wheat and German wheat being on a par; whereas it would have a distinct object in stopping the shipment of Aus-

trian sugar, because Austrian sugar would be struck with a higher countervailing duty than German sugar, and therefore Germany would naturally take care that the certificates of origin were forthcoming, as to whether it was Austrian sugar or German sugar that was being shipped at Hamburg.

2097. Practically, that was a case in which we were interested in trying to keep Russian wheat out of the London market, the certificate of origin purported to show that it was German wheat but practically it was well known and understood that it was Russian wheat; is not that a case in which certificates of origin broke down?—No, because Germany had not the same motive for stopping the shipment of Russian wheat as it would have for stopping the shipment of Austrian sugar.

2098. But as a matter of fact, the certificate of origin did break down, did it not?—If it broke down, I say that Germany had not the same object in maintaining the system of certificates of origin in the case of Russian wheat as it would have in the case of Austrian sugar.

2099. There might be reasons why, in that particular case, it might break down with regard to Russian wheat, and why it might not break down with regard to Austrian sugar?—That is my point.

2100. But so far it is a fact, is it not, that certificates of origin did fail in their object in that case?—I do not know whether they failed or not, but if they failed, they failed under circumstances which would not be in existence in the case of Austrian and German sugar.

Mr. Courtney.

2101. You begun by giving evidence with regard to the total consumption of loaf sugar here; but I am not clear, after all, about the figures; what is the total consumption of loaf sugar per annum in England?—I think I explained that the only way in which I could get at those figures was, by looking at the official returns of France and Holland of the exportations of loaf sugar from those countries to Great Britain. It is impossible from any Board of Trade returns to ascertain the consumption of loaf sugar in this country.

2102. In answer to Question 15, you said that 200,000 tons of raw sugar a year were refined in the loaf sugar factories; does that refer to the present time?—No, that refers to what was the case before the 26 sugar houses in London were shut up. Those 26 houses have been shut up since 1864. My answer meant, that those 26 houses that have been shut up by the operation of the bounty, refined, in round numbers, 200,000 tons of raw sugar a year.

2103. How much loaf sugar would be turned out of those 200,000 tons of raw sugar?—We must take a rough calculation, because some houses turn out a larger per centage of loaf sugar than others. You may take, as a fair estimate, two-thirds or three-fourths, whichever you like.

2104. Not so much as 150,000 tons?—One hundred and forty thousand tons, I think, was the figure that I gave.

2105. I am referring to the estimate of the amount of loaf sugar that was produced by the English

Mr. Courtney—continued.

English loaf sugar refiners before their trade was interfered with; do you say that that came to 140,000 tons?—About that; I do not pin myself to accurate figures.

Lord Frederick Cavendish.

2106. Do you mean previously to 1864?—No; in 1864, up to the time when the 26 sugar houses were all shut up.

Mr. Courtney.

2107. At that time was there any importation of loaf sugar?—I think there was a small importation of loaf sugar, but I cannot recollect at the moment what it was.

2108. Dutch loaves is only a name, I think?—There were Dutch loaves imported.

2109. To what extent?—That I cannot recollect.

2110. Would that import be considerable?—No, certainly not.

2111. Would it be any appreciable proportion of the home production; would it be half as much?—No, I should say not; I am speaking purely from memory.

2112. You cannot give any limited number that you think would be safe?—I had rather not do so.

2113. The present amount imported you calculate to be 140,000 tons?—Yes.

2114. That is not derived from this calculation to which I am now referring, but from the export figures of foreign countries?—Yes.

2115. The present importation is much more than that, is it not?—I put it at 140,000 tons.

2116. Five countries export together 400,000 tons, and we get 140,000 tons apparently, so that the consumption of loaf sugar is at a standstill?—Is it?

2117. Does it not follow from those figures, that what we import now, as shown by the export tables of foreign countries, is the same as we made formerly when we had the trade in our own hands?—About the same.

2118. So that the consumption of loaf sugar is at a standstill?—My firm have been supplying a little.

2119. That may be, but that does not show that it is increasing or decreasing; the consumption per head of loaf sugar in the United Kingdom is not only at a standstill, but it is actually diminishing, is it not?—It is at a standstill.

2120. Or rather it is diminishing, because the total consumption now is 140,000 tons?—Plus my production.

2121. And formerly it was 140,000 tons, plus the importation of a quantity which was unknown?—Yes; I have given these as round numbers.

2122. Apparently, we cannot get any more exact figures, but they are trustworthy so far as they go?—I may have wrongly estimated the production of the 26 sugar houses.

2123. You got that from a careful statement of Mr. Gadesden, did you not?—I got that from a statement of Mr. Gadesden, but it was not very exact, because, although we tried very hard to get returns from all those firms who have left the trade, it is very difficult to get at them.

2124. Do you wish to throw doubt upon those figures which you have put before the Committee?—No, I do not; I only say that if you wish to account for what appears to be somewhat

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Mr. Courtney—continued.

inconsistent, it may be accounted for perhaps by my having over-estimated the quantity of loaf sugar turned out by the 26, or rather the 30, sugar houses, because there were some at the outports.

2125. I do not wish to impute anything; I only want to bring out the fact whether the total consumption of loaf sugar in the United Kingdom is not the same as it was in 1864?—I should think, per head, it is.

2126. The total consumption is approximately the same, is it not?—Those figures being estimates, and not of extreme accuracy, I am unable to commit myself to the opinion that it has decreased.

2127. According to your figures, you admit that we should draw the deduction that the total consumption is the same, and, therefore, our individual consumption is rather declining, inasmuch as the population has considerably increased between 1864 and 1879?—I think, during that period, sugar has reached a lower class of the population, and that sugar, of course, is not loaf sugar, but the lower classes of moist sugar.

2128. The importation of unrefined sugar, and the manufacture of moist refined sugar, have both largely increased, have they not?—Yes.

2129. And they are increasing, are they not?—Yes.

2130. That is contemporaneous with a stationary, if not a declining condition of the loaf sugar trade, is it not?—A stationary condition, I should say. I should say that there is a class of people who consume loaf sugar, and that that class remains stationary. I do not think that loaf sugar extends into other classes than it reached in 1864, probably.

2131. The moist sugar business is only incidentally affected by these bounties, is it not?—Yes.

2132. The loaf sugar business is directly affected?—Quite so.

2133. We appear to have arrived at this conclusion: that the consumption of moist refined sugar has rapidly increased, and is increasing; and that the consumption of loaf sugar, which is made unnaturally cheap to us, is stationary, or decreasing?—That is curious; but the fact remains that it is unnaturally cheap. Do you think it disproves the fact that it is unnaturally cheap?

2134. Not at all. I only bring out that as a remarkable circumstance. Then I should like to find out whether you can offer any explanation why the consumption of refined loaf sugar is thus stationary, although it is made unnaturally cheap?—I should think there is, probably, something wrong about the figures; I should think that is the only way of accounting for it. But I have explained that moist sugar has reached a class of society which did not before consume sugar to the extent that they consume it now.

2135. That would account for the increase in the consumption of moist refined sugar, but it will not account for the apparently diminished consumption of loaf sugar?—No.

2136. Is it not a fancy amongst those lower classes to obtain what they think the best and most showy article?—Yes, when they are flourishing, no doubt, but they are not flourishing now.

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2137. They

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Mr.
Martineau.
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Mr. Courtney—continued.

2137. They prefer loaf sugar in their tea, do they not?—If they can get it at the same price as moist sugar, no doubt. I have heard of French loaf sugar being seen selling in the streets in barrows.

2138. In the raw moist sugar that we import now, what are the proportions of cane and beet?—I do not know that. Those are figures that will be given you, very accurately, by the gentlemen who will represent the West India interest here.

2139. You manufacture both loaf and moist, I believe?—No, I manufacture loaf, and merely that quantity of moist which is a residuum.

2140. Mr. Duncan manufactures both, I think?—He is a moist sugar manufacturer.

2141. And he works up some into loaf?—He is making a little loaf, just to try the experiment.

2142. A moist sugar refiner is not under any compulsion to make loaf sugar, is he?—No, quite the reverse; he has to put up a separate factory for making loaf, if he makes loaf.

2143. Is the Dutch trade cane or beet?—It used to be cane, but now it is, a great deal of it, beet.

2144. And cane also, I suppose?—And cane also.

2145. Can you tell us anything about the competition in Holland between cane and beet?—I know that a much larger proportion of beetroot is used now than was used a few years ago.

2146. You do not know the conditions under which cane and beet enter the Dutch market?—Yes, I think I do.

2147. Is there any fiscal difference in the introduction of cane or beet into Holland?—Only this difference, that the beetroot sugar that is manufactured in Holland pays duty on a different system, as I explained to the Committee, from the system which governs the importations.

2148. Do you think it gives any advantage to one over the other?—The system in beetroot factories is a stimulus to the production of beetroot sugar just the same as it is in Belgium.

2149. At the cost of cane?—At the cost of cane, but not to such a large extent as it is in Belgium.

2150. Holland is practically a producer both of beet and of cane, is she not?—No, she is a producer of beet and an importer of cane.

2151. I speak of her as a producer of cane because she imports cane from her own colonies?—Yes.

2152. We are only as a nation producing cane?—At present.

2153. But Holland is in the condition of producing both beetroot and cane?—Yes.

2154. Do you mean to say that their system of duties favours the production of one over the other?—I mean to say the system of what they call *abonnement* in the beetroot factories is a system which admits of excess yields in the same way as the Belgian system.

2155. But would their system of refining cane sugar also admit of excess yields?—I am now speaking of the production of beetroot sugar in the factories, and not of the refining. That system of *abonnement* only refers to beetroot factories where the raw sugar is made from the root.

2156. When the raw beet sugar and the cane

Mr. Courtney—continued.

go into the refineries, do they go in under the same conditions?—No, they do not, because the beetroot has already paid its duty in the form of juice.

2157. Then after that it is free?—Yes.

2158. Have you any notion as to the relative burdens of duty which refined sugar bears in Holland if it is made out of cane and out of beet respectively?—It is supposed to be exactly the same.

2159. And there is no reason why the Dutch Legislature should favour one more than the other?—That I cannot say.

2160. Both beet and cane are, as it were, native products?—Quite so.

2161. They cannot, intentionally, favour beet at the expense of cane, or cane at the expense of beet?—No; still it is a difficult question to answer, because the French Government most distinctly and intentionally favour the sugar refiners in France at the expense of the sugar growers.

2162. What sugar growers do you mean?—I mean the sugar growers in France.

2163. You mean beet sugar growers?—Beet sugar growers. There are, of course, only beet sugar growers in France.

2164. But France has a little cane importation from the French colonies?—Yes, but I said sugar growers in France.

2165. As respects the Dutch legislation, there can be no desire on their part to stimulate beet at the expense of cane?—No, I should not suggest that they had such a desire.

2166. And if they do it, they do it probably through the complexity of assessing the duty; they have fallen into some error, perhaps, in assessing it?—I think they must be perfectly aware of the imperfections of their system; in fact I know they are. Why they continue the system it is impossible for me to say.

2167. Is beet displacing cane in Holland?—Yes, very largely. I can state the reason why beet is supplanting cane in the Dutch refineries; it is because the Dutch refiners find that they can get a larger bounty by using beetroot than they can by using cane. They are obliged to strive as hard as they can in order to compete with the French, and even striving as hard as they can they cannot compete with the French properly.

2168. They get a bounty on refining cane sugar, do they not?—They get a bounty on refining cane sugar.

2169. At least you allege that they do?—I think we have proved that the system of assessment according to classification by colour must involve bounties.

2170. And, therefore, they get a bounty both ways?—Yes.

2171. But they get a greater bounty on the beet?—Yes, that is proved by the enormous quantity of beetroot used in the Dutch refineries as compared with cane.

2172. That may be one explanation of it, but it does not necessarily prove it?—It bears out the assertion.

2173. Do we get any raw moist sugar from Germany?—Yes.

2174. And from Austria?—Yes.

2175. How do we get it from Austria?—Through Hamburg.

2176. How

Mr. Courtney—continued.

2176. How is it carried to Hamburg?—Either by the Elbe or by railway.

2177. In what parts of Austria is it grown?—In Bohemia.

2178. Does Hungary grow any?—There is a little beetroot grown in Hungary, but a very small proportion out of the total quantity grown in the Austro-Hungarian Empire.

2179. Probably the system of duty is not the same?—Yes, I think it is.

2180. Is the bounty the same in Hungary as it is in Austria?—I could not say positively, but I have always been under the impression that it is the same system in both countries.

2181. Now about Russian beetroot sugar; in what part of Russia is that grown?—It is grown in the parts of Russia bordering on the countries to the west of it.

2182. In Russian Poland?—Yes, about Kief, and about there.

2183. Do we get raw sugar from the United States?—No, only refined sugar. We have had Louisiana sugar under exceptional circumstances, but very seldom; I think only during the American war.

2184. Is it moist refined, or loaf?—It is what the Americans call "hard sugar;" what we should call loaf sugar, or a kind of sugar equivalent to loaf sugar, dry sugar.

2185. The exportation of sugar from America is a growing trade, is it not?—It increased very largely two or three years ago, and then the American Government reduced the export drawback and it declined again. Now it is springing up again.

2186. It appears that there is considerable competition for the English market?—Yes.

2187. We have several countries eager to supply us?—Yes, because this is the largest consuming market, of course.

2188. And the consumption goes on increasing, so that it is an improving market?—It has been hitherto.

2189. Do you think there is any danger of a combination between those countries so as to exclude competition between them?—Not in the slightest.

2190. They could not establish any kind of trades union?—They could not establish a "corner."

2191. Or a "ring"?—No.

2192. It is not very likely that the United States would come into any trade arrangement with those other countries?—I think the United States Legislature, or rather the Treasury Department, has shown great anxiety to stop anything in the form of an export bounty.

2193. Has it ever come before Congress?—Yes.

2194. What action has been taken there?—That I do not know; I have not read up the recent history of the American question. We took a considerable interest in it at one time, because the American Government suddenly increased the drawback on refined sugar, which evidently showed a bounty of about 50 cents per 100 pounds; and therefore we took a great deal of trouble in exposing this fact, and I think we succeeded, or our action had considerable influence in bringing about what happened, which was that the Treasury Department at Washington reduced the drawback again to a more reasonable figure. Since then the export

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Mr. Courtney—continued.

has, as I have already said, sprung up again, and there has been a great fuss over there about the fraudulent colouring of sugar, which of course would enable the refiner, even under a fair drawback, to get an unfair drawback. You understand how that is done; and we think the present exportation of raw sugar from America has been caused by practices of that kind.

2195. I do not understand you to say that there has been any alteration in the American law; it is a matter that has never come before the Legislature?—Yes, there was an alteration when the drawback was increased and there was another alteration when the drawback was reduced. On both those occasions legislative action had to be taken.

2196. I thought I understood you to say, that there was only greater stringency on the part of the Customs officials in putting into effect the existing law?—No, I did not say so, Mr. Duncan said something of that kind with reference to the existing law. The drawback was increased, in 1875, I think, to 3 dollars 60 cents per hundred pounds, and a great agitation arose upon that point, and it was decreased about two years afterwards to 3 dollars 18 cents.

Mr. Alexander Brown.

2197. Was it not in this way: that the United States Treasury had the power to make rules and regulations for the purpose of arranging the drawback on a proper scale, and that they altered those rules, not altering the law?—You cannot alter a drawback without altering a law; but they may have altered the law without appealing to Congress.

2198. They had power to make rules and regulations which came, practically, to the power of altering the drawback?—If you alter a drawback you clearly alter a law.

Mr. Courtney.

2199. It may have been brought into effect merely by regulations of the Custom House; there is also a difficulty which Mr. Duncan brought out, that Louisiana sugars paid no duty and yet might obtain a drawback?—Mr. Duncan spoke there from his own personal knowledge, he having been in the United States. I cannot bear out that statement, because I do not happen to have the same personal knowledge.

2200. Do you agree with Mr. Duncan as to the possibility of growing beet profitably for sugar-making purposes here in England?—Yes.

2201. Do you think that in the absence of bounties it might be cultivated for the purpose of producing sugar?—Yes, I think so, certainly.

2202. In competition with cane?—Yes. I happen to be able to give an opinion upon that point with some weight, I think, because I have gone into the subject rather fully.

2203. How do you explain the difficulty that cane sugar is brought into us still?—Supposing that we were able to grow beetroot here, I do not see that that would be any injury to the cane production. They would be both competing upon equal terms. It is not like cane competing with a bounty-fed importation.

2204. Cane still does compete with a bounty-fed importation on the Continent, does it not?—Yes, of course, competition is assisted by many accidental circumstances in all trades.

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2204. If

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2205. If British beet could compete with cane and foreign beet in the future it ought to be able to compete with cane now, ought it not; cane sugar has no advantage in coming to this market at all at present?—No.

2206. Therefore, if British beet is at any time going to compete with cane sugar, it ought to be able to compete with cane sugar now?—We do not agree that cane sugar is competing.

2207. It comes into the market in considerable quantities, does it not?—Yes, but we believe that a very large quantity of it is made at a loss. We know that in all trades there is a great deal of production at a loss occasionally. Accidental circumstances occur, like the rise of 10 *l.* per ton of two years ago, and of course that sets them on their legs again.

2208. I suppose the representatives of the West India interest will tell us more about that; but do you think that a trade like the cane sugar production of the West Indies will go on year after year at a loss?—No, not year after year; but if you have a temporary rise in the market from various causes, such as a failure of the crops in one part of the world, or from other causes, that enables them to go on a little longer.

2209. But the normal condition is that they are working at a loss; do you think that a trade like the production of sugar in the West Indies can be maintained under a normal condition of loss?—But how long has that normal condition lasted?

2210. It has lasted 15 years, according to your account?—Of course prices have been forced down gradually by the bounties. In the case of refined sugar they were forced down at once, but in the case of raw sugar there was a gradual decrease. The bounty stimulated the increase of production year by year, but it went from 500,000 tons to 1,500,000 tons gradually, step by step, and not suddenly.

2211. But the other importation of cane sugar has not fallen off?—I suppose it has remained about stationary. It has not benefited by the great increase in the consumption, in fact, as it ought to have done, under natural conditions.

2212. In the first part of your evidence you laid some stress upon the amount of capital which had been thrown into disuse by the abandonment of loaf sugar refining at home?—Yes, I gave a rough estimate of the capital.

2213. Of course that is inevitable where any change in the form of producing a commodity is introduced?—Certainly.

2214. And if the commodity is put upon the market by new processes more cheaply, the country, as a whole, gains by the change, does it not?—Certainly, if it is put upon the market by new processes more cheaply.

2215. If a constant supply can be secured more cheaply?—Yes.

2216. It all depends upon the constancy of the supply?—Quite so.

2217. In this particular case the supply comes from many quarters, does it not?—Loaf sugar comes entirely from bounty-fed sources now.

2218. Those sources are two or three fold, are they not?—A little comes from America, so we will say that they are threefold, France, Holland, and America.

Mr. Alexander Brown.

2219. And Austria?—Austria exports a large quantity of loaf sugar, but it has not reached this country. It merely supplants a certain quantity of French and Dutch sugar, and so forces more French and Dutch sugar to come here.

Mr. Courtney.

2220. We have got three sources of supply which are bounty fed?—Yes.

2221. And we have one or two others which are potential, and which would come into operation the moment they saw any advantage?—I think they are in operation.

2222. Amongst those people, you say it is impossible to establish a "corner"?—Yes, I think so, certainly; I think it would be much more possible to establish exactly the reverse.

2223. Are we not justified in saying, that the supply from those sources may be depended upon as constant?—No, certainly not.

2224. How will you reconcile that with your former answer?—I do not see how an artificial supply of that kind can be constant.

2225. We have got three or four sources of supply working, and there are two or three others also, which might be working?—All bolstered up by bounties.

2226. And you may depend upon them so long as those bounties are maintained, at all events?—Certainly.

2227. We may wait with complacency to that time?—We may not.

2228. Why not?—I should not be complacent for one certainly, and I do not think the West India planters would be complacent.

2229. But we are speaking in the interests of the country which would gain?—The interests of the country would gain, if sugar could be naturally produced cheaper than it is now.

2230. With reasonable constancy?—The source of supply being unnatural, I should say on the face of it, that the supply is certain not to be constant.

2231. It is a question how long the matter would last?—Yes, it looks as if it was not likely to last very long.

2232. If it will not last very long, of course your anxiety will disappear?—Yes, but it will last just long enough to do an irreparable injury.

2233. To the country, or to your trade?—To the trade and to the country.

2234. How will it do an irreparable injury to the country?—By doing an irreparable injury to the trade, not to my trade; my trade is quite a secondary consideration compared to the one that I am going to mention. If it goes on long enough to stop the production of cane sugar, as I believe it will, then I think that is an irreparable injury, not only to the trade, but to the country.

2235. Why?—You throw a large tract of land out of cultivation; you make the consumers here dependent on this bolstered-up industry, and when the bolstered-up industry breaks down, as it will sooner or later, where is the consumer to get his sugar from? You cannot put cane plantations into cultivation in a year or two years.

2236. I do not think we need seriously apprehend the whole of the cane plantations being thrown out of cultivation?—I think we may very seriously apprehend it. That is really the point.

2237. It

Mr. Courtney—continued.

2237. It is admitted between us, that the question depends upon the constancy and permanency of this unnatural cheapness?—Certainly.

2238. If we get it permanently, of course the country would be benefited?—No, I think not. There is another point which arises, which I omitted to notice; I do not think it would be a good thing to admit the principle that the country may depend upon a bounty-fed supply of that kind. I think it is a very injurious principle to admit.

2239. Why?—Because it amounts to this: that you admit that the natural producer, the colonial producer, or our home producer, may be supplanted by an attack of this kind; it does not seem to me to be a very advantageous thing for the country to admit a principle of that kind. What would happen if you were to admit the principle all round?

2240. If all the world chose to do all we want we should have to do nothing but consume what they gave us; that is a *reductio ad absurdum*?—But are we to pay for what we are supplied with in that case?

2241. Certainly not, if they gave it us all for nothing?—But they do not, that would not pay them.

2242. But you are afraid of the beginning of the process which would end in that, if it were logically carried out?—They would give it us just cheap enough to prevent our producing it ourselves.

2243. And you think that is a dangerous thing?—Yes, I think so, simply because I do not see where we are to find the money to pay for it.

2244. Do you think it alarming that another country should supply us with something at a loss to themselves?—Yes, I think it is, under those circumstances.

2245. And the farther, of course, that that process was carried, the more dangerous it would be to us?—I think so.

2246. So that if we come to the conclusion that they gave it to us for nothing, it would be extremely dangerous to us?—But if you will excuse me, that is not, I think, a fair inference, because the operation of the bounty is simply to enable the foreign producer to give us the sugar just so much below cost price as to stop the natural competition. Directly he has arrived at that point he has no object in reducing the price further; then it is merely a difference between 20 s. per cwt. and 19 s. 9 d. per cwt.; he sells it at 19 s. 9 d. and we cannot afford to sell it under 20 s.; and, therefore, he gets the whole trade; if that were universally adopted with regard to all the trades in the country, I do not exactly see where the British consumer would get the money to pay the 19 s. 9 d. with.

2247. The real danger that you foresee is this: a country gives us something more cheaply than we have hitherto had it?—Yes, below cost price.

2248. Do you think that is a danger?—Yes, it appears to me to be so.

2249. The more they do that the greater the danger must be; if the principle is dangerous the more dangerous it must become the more it is carried out; if your principle is sound with respect to sugar, that it is dangerous that we should get it at 1 s. per cwt. below its cost price, 0.104.

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the danger must be increased if we get it at 2 s. per cwt. below cost price?—But we never should get it at 2 s. per cwt. below cost price.

2250. But, supposing that were to happen, would the danger be increased or not, supposing that these people were so foolish as to give greater and greater reductions?—You misunderstand me; I say that the danger would be increased if it was applied to more industries than that of sugar.

2251. Confining your attention to sugar alone, you say that reducing the price of sugar to us below cost price is a danger to us?—Yes.

2252. If that is so, the danger must increase the further the reduction is carried, must it not?—I do not see that that follows at all. Of course if they gave us the sugar for nothing we should be very fortunate indeed. If they fed and clothed us for nothing, all we should have to do would be to sit still and smoke cigars all day long.

2253. If they gave us everything that we wanted from abroad at 10 per cent. below cost price, do you think it would be dangerous?—Then, I say where should we get the money to pay the price of the articles?

2254. If we had not got the money or the commodities that they wanted (because it is really an exchange of commodities for commodities) they would never send the articles to us?—The natural condition of mankind is to exist by labour and production; and, therefore, you are supposing a perfectly impossible case.

2255. No, I am not. You might suppose such a thing as one set of men making themselves the slaves of another set?—What are we to give in return for all these commodities? We are to have everything we want supplied at 10 per cent. below cost price; how are we to secure all these things?

2256. If we had nothing to give in return for them we should not have them at all?—Then we should starve.

2257. Not at all. You say that it is dangerous that we should get things at less than the cost price; but the fact is, that the trade is being carried on?—But how is the trade to be carried on?

2258. Leaving that point, were you in the trade yourself before 1864?—Yes; I think I was in the trade in 1858.

2259. Did you approve of the system that prevailed before 1864?—Yes, we approved of the system of classification, because it was merely adopted as the alternative to the uniform duty, which would have been complete ruin to us.

2260. But you do not approve of that system now?—No, because it certainly is incorrect; we only approved of it because it was more correct than a uniform duty.

2261. I think you approved of it as against other plans?—Yes, as against a uniform duty or refining in bond. I personally did not approve of it as against refining in bond. I did not give evidence upon the subject; but my opinion was that refining in bond was by far the most complete system.

2262. Was your opinion about it that it was practicable?—I had not gone into the subject then.

2263. You were in business then?—I was; and I took a very lively interest in defeating the proposal for a uniform duty, because, of course, that would have ruined the trade at once; it would

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would have been protection to sugar refining everywhere except in Great Britain.

2264. Did you not take any interest in defeating the other alternative?—No, I did not.

2265. The sugar refiners did, as a body, did they not?—I do not think the sugar refiners acted then as a body, as they have since; in fact, Mr. Easton proved that when he was examined.

2266. Mr. Easton showed that one refiner, the elder Mr. Macfie, had suggested it; that is all, I think?—Yes.

2267. The refiners, as a body, appeared before that Committee, I think?—Yes, very likely.

2268. And they had a chairman then, had they not?—I should not like to commit myself to details.

2269. Was Mr. Gadesden chairman then?—He was chairman of the London Association, I think; I think either he or Mr. John Davis, or Mr. Fairie was the chairman; but there was no united action on the part of the refiners of this country at that time.

2270. They were so far united that they had a chairman?—The London Association had a chairman.

2271. Who was Mr. Peter Martineau?—He was my cousin.

2272. Was he in the same business as you are in?—No; he belonged to a separate firm entirely.

2273. Is he still living?—No.

2274. I see he gave evidence before that Committee of 1862?—Yes.

2275. Mr. Gadesden had already given evidence as to refining in bond, and Mr. Peter Martineau was asked whether he had heard Mr. Gadesden's evidence, and whether he concurred in it, and he said, "I concur in that evidence distinctly as a practical sugar refiner, that we cannot refine entirely in bond"?—It was very natural that they objected to refining in bond at that time.

2276. Why was it very natural?—I think there is a natural objection to being put under the Excise.

2277. Just such an objection as the French refiner would entertain now, I suppose?—I dare say the French refiners object to it; they do not like to lose their bounties, of course.

2278. But independently of that, they would object to being watched and supervised by the Excise?—It depends upon how much watching and supervising would be necessary. If you ask me would I rather refine in bond or not, supposing the duty were imposed again, I would rather refine in bond.

2279. You heard Mr. Gadesden's evidence the other day?—I did.

2280. He has had experience as a soap maker as well as a sugar refiner?—Yes.

2281. He said that the bonded system in the soap business had greatly retarded improvement in that business?—Yes.

2282. And he assented to this also, that refining in bond in the case of sugar would impede improvement in the manufacture of sugar?—He gathered that from his experience in soap-boiling; but since then it has been proved that manufacturing in bond does not impede improvement. The French manufacturers of beetroot sugar all work in bond, and they work on as approved principles as any manufacturers in Europe.

Mr. Courtney—continued.

2283. You can never tell, can you, when a system stops improvement?—I am perfectly certain that the system in France does not stop improvement.

2284. Do you not think that when people are in a trade they are not able to say what improvement could be effected if the conditions of the trade could be altered?—But I happen to know exactly how the trade is carried on in France, Germany, and Austria, and I know that the French manufacturers are as good as the German and as good as the Austrian, and I should say better, because the Austrian manufacturers are always struggling after their bounty.

2285. You cannot tell what improvement would be made if the trade were perfectly free?—Yes, I can. We see those foreign newspapers which come out weekly and monthly, and which contain accounts of all the new improvements in the sugar manufacture all over Europe; and therefore we are able to say what improvements can be introduced and what improvements are introduced.

2286. The attitude of the trade with respect to refining in bond has completely changed since 1862, has it not?—The attitude of the whole trade in 1872 was in favour of refining in bond; but I deny that the attitude of the whole trade was against refining in bond in 1862. No doubt the attitude of those gentlemen who gave evidence before the Committee was against refining in bond.

2287. All the representatives of the trade before that Committee were against it, were they not?—So I gather from what you say.

2288. They persuaded the Committee to agree unanimously to the recommendation that the thing should not be adopted?—Yes; I looked into Mr. Gadesden's evidence the other day, and I was very much struck with what he admitted as to the system of refining in bond, when it had been actually in operation.

Mr. Orr Ewing.

2289. Did not Scotland petition in favour of refining in bond?—Every refiner in Great Britain and Ireland petitioned in favour of refining in bond in 1872.

2290. In 1862, I think, Scotland unanimously petitioned in favour of refining in bond?—I think Mr. Easton gave that evidence.

Mr. Courtney.

2291. A single refiner?—But I think there was a petition; I was going to draw your attention to some evidence which Mr. Gadesden gave with reference to refining in bond, as it was actually carried on at one time in London; he was asked whether, when refining in bond was carried on, there was any interference with the operations of the refinery, and he said there was none; he was then asked how the system was carried out, and he said that it was carried out solely by watching the doors; and then he was asked whether that was any inconvenience or hindrance, and he said it was no inconvenience or hindrance whatever.

2292. From his own experience he objected most strongly to the system?—From his own experience as a soap-boiler; but from his experience as a refiner in bond, he stated distinctly that it was no inconvenience and no hindrance to him whatever. I can refer you to the questions.

2293. With

Mr. Courtney—continued.

2293. With respect to the point as to the scale of duties upon refining, at that time the refiners abroad, in some of our colonies in Demerara, and Trinidad, and the Mauritius, complained that the scale operated as 'a bounty to refining at home; are you not aware of that?—No, I am not aware of that. I am aware of the arguments which were used against a uniform duty, which are very simple.

2294. At that time the refiners at home, in answer to these Demerara and Trinidad people, insisted that there was no bounty involved in the scale of duty; you give that up now, do you not?—No, I do not. I have explained that, with regard to the effect of the scale on the English refiners, at the very beginning of my evidence; and I read quotations from Mr. Ogilvie's letter, if you recollect, showing how it was that the scale in certain cases was actually adverse to us. It is perfectly clear that a refiner in France is under a duty twice as large as our duty; it is to his interest to get all those sugars which are just at the top of each class, and which therefore give a higher yield than the average of the class; and therefore he is enabled to pay more for those sugars than we can pay; and the result is that we are thrown upon the lower sugars, and that we have to use sugars which yield less than the average of the class.

2295. That is just what I was saying; you prove that the existence of the scale of the duty in France, necessarily involves a bounty to the French refiner?—I say that the scale of duty necessarily involves a bounty; but if one man is able to get a larger bounty than another, he monopolises all the advantages of the scale, and the other man not only has no advantage, but he has to put up with a disadvantage.

2296. In 1864, when it was a question merely between the English refiners and our own colonial producers of sugar, the question was as to the operation of the scale in reference to the English refiners alone; do not your arguments show that that scale then gave the English refiners a bounty as compared with the colonial producers?—That depends upon whether the French and Dutch were getting a larger bounty.

2297. The French and Dutch were not mixed up with the business then?—Yes, they were; because, although they were not sending their sugar to this country, they were having the whole of the export trade in refined sugar.

2298. But I am speaking with reference to the supply of sugar for English consumption. The argument for Demerara was this: "We have to pay a certain duty upon putting our refined sugar into the English market; the English refiner pays a lower duty on taking the unrefined sugar; he pays it, in short, according to the class; and that operation enables him so to choose his raw sugar, that, putting the product upon the market, it bears a less duty than ours does." That is precisely the same argument that you now raise as against France, is it not?—I do not think there was much in that argument then, for this reason, that the French and Dutch were monopolising all the best kinds of sugar. The Dutch had all the Java sugar, and the French were getting all the sugar that yielded the largest quantities in refining, because they had a greater advantage out of the incorrect classification than the English had.

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2299. So far as the English market went, the English refiners had it almost all to themselves, had they not?—Yes, but there is no bounty on the English market.

2300. There was then; the Demerara or Mauritius planter refines his sugar on the spot and brings it over in the form of moist refined sugar?—Not the Demerara planter then.

2301. Well, some of them did; the Mauritius planters?—Yes.

2302. They brought it over here in the shape of moist refined sugar, and put it upon our market upon payment of a certain duty, and you, as a refiner, got it at a lower scale of duty, on the calculation that you would turn out a certain amount of refined sugar which would pay the same scale of duty; but you say that the effect of that scale is to give you such a choice that you can get a profit out of the duty?—I have already explained that it did not give us that choice, because the French and Dutch got all the best sugar.

2303. The French and Dutch had nothing to do with the home market?—But you are speaking of the raw sugar that we refiners had to convert into refined sugar. We had to compete with the French and Dutch for that sugar. They got all the highest yielding sugars, and we had to put up with the lowest yielding sugars, because they got the greatest advantage out of the excess yield, and therefore they could outbid us for the best sugars.

2304. I think you said, with respect to the bounty, that it was incalculable?—It is not mathematically calculable, certainly; what I meant was that the calculation must to a certain extent rest upon hypothesis.

2305.—The question that the Chairman put to you was: "Can you give us any idea what the amount of bounty in Holland is now?" And your answer was: "It is impossible for any person to calculate the amount of any of these bounties"?—When I said that, I meant that it was impossible to calculate them accurately. We cannot tell to a sovereign or to 100 l. the amount of the bounty; we can give estimates simply in the same way as other estimates are formed. That was, of course, an incorrect answer, because I have, since that question was put to me, given calculations of the bounties.

2306. Do we get the whole of that bounty?—No.

2307. Were you here when Mr. Gadesden was examined?—Yes, I think so.

2308. It was put to him in this way: the French refiners of loaf sugar get a certain bounty enabling them to come to this market and undersell the English refiners; that greatly stimulates the production of sugar in France, and increases the breadth of land devoted to the production of beetroot, and the competition for the land for beet-growing purposes; and the necessity of going to further land for the production of beet, forces the refiner to part with some of his bounty that he has received to the landowner?—You are now mixing up the question of the bounty on raw sugar and the bounty on refined sugar. The bounty on raw forces the raw sugar manufacturer who receives that bounty to yield up some of the bounty to the landowner.

2309. The bounty on the exportation of refined sugar tends to increase the production of sugar in France?—The refining of sugar in France.

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2310. Does

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2310. Does it not tend to increase the production of sugar in France?—No, the refining. If the producer gets part of the refiner's bounty, then it tends to increase the production.

2311. Do you say that the bounty on the exportation of refined sugar gives the Frenchman command of a portion of this market or of the whole of this market?—Yes.

2312. It increases the importation of refined sugar here?—Yes.

2313. And it increases the exportation of refined sugar from France?—Yes.

2314. And it increases the quantity produced in France?—Yes, of refined sugar.

2315. Of raw sugar?—Yes, if the raw sugar maker gets some of the refiner's bounty; the refiners can get sugar from all the sources of production.

2316. But the main source of production in France is the home-grown beet, is it not?—Yes.

2317. If you give the French refining trade a market here, as well as at home, for this sugar, you must increase the production of sugar in France, and you must increase the breadth of land laid down in beet, must you not?—You increase the production of that kind of sugar that gets the bounty; in Austria it is raw sugar.

2318. You must increase the quantity of beet produced if you are going to make sugar for England as well as for France?—If the producer of beet gets a part of the bounty, of course it stimulates his production.

2319. There is a certain quantity of sugar made in France for England, as well as for France, that is made out of beetroots, and ultimately the amount of beetroots grown must be increased in order to supply sugar made for England, as well as for France?—Yes, if the French refiner depends entirely upon the supply of beetroot, no doubt.

2320. The consequence is, that there must be an additional demand for beet-growing land in France?—If the beetroot production in France is stimulated by that bounty, there must be, no doubt; we must assume that to begin with.

2321. Supposing that the bounty is 75 francs a ton, a part of that would come to us, and a part would get distributed amongst the agriculturists of France?—I would rather take that passage of the bounty to the landowner in a case that is actually in existence, in Austria, for instance; in Austria no doubt the bounty is given directly to the beetroot manufacturer, and there is no doubt that a part of that bounty goes into the pockets of the landowner.

2322. I do not see why you object to admit that in France also a part of the bounty goes into the pocket of the landowner?—The case of France is an indirect case; I would rather take the case of Austria if you wish to discuss the question of the landowner.

2323. My object is simply this; supposing that we do not establish refining in bond, it is asked that we should set up a countervailing duty?—Yes.

2324. And the countervailing duty is to be the same as the benefit received in the reduced price of sugar put into this market?—No, it is to be equivalent to the unnatural stimulus which our competitors receive.

2325. It is to be equivalent to the unnatural cheapening of sugar?—It is to be equivalent to the stimulus that they receive.

Mr. Courtney—continued.

2326. Then why are we to pay more than the natural price of sugar?—We are to pay just as much as will put the two competing industries on the level that they would be on if there was no bounty at all.

2327. Supposing that we get sugar from France at 2*l.* a ton less than we should if the bounty system did not exist, the countervailing duty is to be 2*l.* a ton, is it not?—I must stick to what I said before, that the countervailing duty must be of such an amount as will place the two industries on the fair and equal footing that they would be on if there were no bounty.

2328. Putting it in the form of figures, supposing that the actual bounty on export is 3*l.* a ton, but that the effect of the increase of this sugar production, and the increase of beet growth in France is such that the price is reduced to us only 2*l.* a ton, the other 1*l.* practically goes in the increased cost of production, and that is all that we get the benefit of, in the reduced price of sugar; do you wish to impose a countervailing duty of 2*l.* or of 3*l.*?—The benefit that we get out of the bounty simply amounts to this, that they give away a sufficient amount of bounty to prevent us from competing. You have to countervail that in the first instance.

2329. Do you not think that you could answer that question directly; taking the hypothetical figures which I give you, if the bounty is 3*l.*, and we get in the reduction of the price of the sugar, only 2*l.*, would you propose a countervailing duty of 2*l.*, or of 3*l.*?—Of 2*l.*

2330. Then, in order to ascertain the countervailing duty, we must ascertain how much the price of sugar is reduced?—But you have ascertained that by stating that it is 2*l.*

2331. That is wholly hypothetical; but when we came to practical legislation we should have to make that inquiry?—If my cost of production is 2*l.*, and the French send their sugar over here at 1*l.* 19*s.*, then I am done for; so that I am only undersold to the extent of 1*s.* a ton, and not 2*l.* a ton.

2332. You propose to impose a countervailing duty equivalent to the sum by which the price of sugar is reduced?—No, I am wrong there; I will retract that answer.

2333. Then what would you propose to impose?—I propose what I stated: that the countervailing duty should be sufficient to place the two competing industries on the same footing that they would be on if there were no bounty.

2334. How are you going to ascertain that?—By ascertaining the amount of the bounty.

2335. That may cause the price of the sugar to be dearer to us than it would otherwise be by 1*l.* a ton?—I do not see that.

2336. Reverting to the illustration which I gave: a bounty of 3*l.* a ton, resulting in the cheapening of sugar to the extent of 2*l.* a ton, the increased cost of production at home absorbing the other 1*l.* a ton; if you put on a duty of 3*l.* a ton it is clear that you will be adding 3*l.* a ton to sugar which is only reduced 2*l.* a ton in price?—If you are going to countervail the bounty, you must countervail it to such an extent as to restore natural competition.

2337. Would not that be done if you made the countervailing duty precisely equivalent to the reduction in price which has been made?—But supposing that our bounty-fed competitor is keeping 2*l.* a ton in his pocket all this time, then

he

Mr. Courtney—continued.

he would still be 2 l. a ton to the good after we had put the countervailing duty on.

2338. We should have to impose a different countervailing duty in respect of every country, should we not?—No, because the bounties are sufficiently similar to enable one countervailing duty to cover them all.

2339. Supposing that we established a Convention for refining in bond without a clause providing for a countervailing duty against those countries outside the Convention, you agree that the protection afforded to your industry would be insufficient?—No, I think I said that the protection to all the industries would be insufficient. I am speaking only for the sugar refiners.

2340. But supposing that between England, France, Holland, and Belgium, you may establish refining in bond without any countervailing duty as far as other Powers are concerned, the effect would be, would it not, insufficient protection of your industry against those other Powers?—I think that I answered that question before; and my answer was that, at the moment what we feel is the Dutch and French refined sugar. The Dutch and French refined sugar is the sugar that is underselling us now in this country; and therefore if you stop the Dutch and French bounty that relieves us for the moment.

2341. But then you have got these other competitors waiting?—There are other bounty-fed countries, no doubt.

2342. You could not stop there, could you?—Probably not.

2343. You would have either to get those other countries to come in, or to impose a countervailing duty against them?—We should have to get the other countries to come in in order to get France and Holland to agree to the Convention.

2344. Do you think that the United States is one of those other countries that it would be necessary to get to come in?—I think that it would be necessary to countervail the bounty in the United States, certainly.

2345. You think that France would not agree to a Convention unless the United States agreed also, unless a countervailing duty was imposed?—I do not say that France would not agree to the Convention, because she has already agreed to that, and they have ratified one.

2346. But they were not then so conscious of the competition of Austria as they are now?—Yes, they were thoroughly.

2347. Do you think that it would be possible to get the United States to agree to a Convention?—It is impossible for me to say. I think that there is every possibility of getting them to abolish their bounties, because they have been trying to do it for many years; they have been far more straightforward in the matter than some of the other countries that we have had to deal with.

2348. Are you aware that the Government have said that to do what you suggest would be to reverse what has been the fiscal policy of the country for many years, and that they used these words, "The proposal rests upon a principle which the Government of this country could not admit without reserving its whole system of commercial policy"?—I think that the writer of

Mr. Courtney—continued.

that fell into an error when that paragraph was written.

2349. You do not think that it would be a reversal of our whole commercial policy?—Most distinctly not.

2350. Can you show any action at all analogous to that which you propose?—There is a countervailing duty on spirits, which is not a duty for revenue purposes. That paragraph was only written with this meaning: that duties were levied in this country only for revenue purposes; or else with the meaning that a countervailing duty is protection. I think it has been clearly proved that countervailing duty is not protection; and therefore I think it must mean that the commercial policy of this country is to levy duties only for fiscal purposes.

2351. Do you say that there is a countervailing duty in respect of spirits?—Yes.

2352. To what duty do you refer?—The duty to countervail the injury which is done to our distillers by the Excise regulations, and also the duty which is to countervail the error in the estimation of the strength of coloured spirits.

2353. How much is it?—The one is 3 d. and the other is 2 d., making 5 d. altogether; and that is a duty which is not put on for revenue purposes; besides which there are many other duties not put on for revenue purposes. The scale of duties on sugar was not for revenue purposes. The differential duties were not arranged for revenue purposes; they were arranged in order to establish absolute justice for the home producer as compared with the foreign producer.

Chairman.

2354. Will you read Article XIX. of the Convention of 1864, to which Great Britain agreed?—This was the Convention in force from 1864 to 1865: "The high contracting powers reserve to themselves to agree as to the steps to be taken for obtaining the adhesion of the Governments of other countries to the arrangements of the present Convention. In the event of bounties being granted in the said countries on the exportation of refined sugar, the high contracting parties will be at liberty to come to an understanding as to the surtax to be imposed upon the importation of refined sugars from the said countries."

2355. Does not that contemplate a surtax?—Clearly.

Mr. Morley.

2356. In Mr. Easton's evidence about the consumption of sugar, after giving a very remarkable outline of the various increases in each decade, he says: "Then comes this remarkable thing, the most remarkable in the whole history of the sugar trade from 1815; we find in the three years between 1875 and 1878 that there is no increase, but an actual decrease of 4½ per cent., which, to my mind, seems to point out that we have reached the limit where consumption was to help us." Is that your general impression?—No doubt Mr. Easton was perfectly right; he was pointing out that there were exceptional circumstances which had caused this extraordinary increase in the consumption of late years, and that the consumption had reached a limit beyond which it would not go on increasing at the same rate.

Mr.
Martineau.
26 June
1879.

Mr. JAMES DUNCAN, re-called; and further Examined.

Mr.
Duncan.
26 June
1879.

Chairman.

2357. I BELIEVE you wish to correct an answer in your previous evidence?—Yes, the last answer in my former evidence, No. 1177; I made a mistake there. I had already answered the same question at No. 1097.

2358. The question is: "Supposing that the French put an export duty upon raw beetroot sugar, and put no export duty on refined sugar, would you approve of that;" and the answer which you gave is: "That is practically what they do just now;" do you wish to correct that?—Yes; it is not the same.

Mr. Courtney.

2359. That is no answer to the question; you may withdraw this answer which you have given,

Mr. Courtney—continued.

and then I shall ask you to answer the question, and not to say that it is or is not the same. Supposing that the French put an export duty upon raw beetroot sugar, and put no export duty on refined sugar, would you approve of that?—We should have nothing whatever to do with that.

2360. You would be indifferent to that?—Yes, quite indifferent.

Chairman.

2361. An export duty upon raw sugar would not enable the refined sugar to be produced from that raw sugar below the natural cost price?—No.

2362. Whereas the present system does?—It does.

Tuesday, 1st July 1879.

MEMBERS PRESENT:

Mr. Bell.
Mr. Bourke.
Mr. Alexander Brown.
Lord Frederick Cavendish.
Mr. Collins.
Mr. James Corry.
Mr. Courtney.

Mr. Orr Ewing.
Sir James M'Garel-Hogg.
Mr. Morley.
Mr. Norwood.
Mr. Ritchie.
Mr. Stewart.
Mr. Thornhill.

C. T. RITCHIE, Esq., IN THE CHAIR.

Mr. SAMUEL PETERS, called in; and Examined.

Chairman.

2363. WHAT is your occupation?—A Sugar-Refining Operative.

2364. Are you at present employed in any sugar house?—No.

2365. Do you occupy any official position with reference to the operatives?—I am Secretary of the Workmen's Committee that has been agitating for the abolition of the foreign bounty.

2366. Does the committee consist entirely of sugar-refining operatives, or are they operatives connected with trades which are dependent on sugar-refining?—The committee consist of all the branches of British industry dependent on the sugar trade, such as operatives, journeymen coopers, dock porters, and warehousemen.

2367. I believe you have witnesses here who can come forward, if necessary, and speak as well as yourself upon the state of the trade, as far as the operatives are concerned?—Yes.

2368. You are, I presume, prepared to give evidence generally upon the whole question?—I am.

2369. You do not propose to put forward any more evidence unless the Committee require it?—Just so.

2370. If the Committee wish to have further evidence, you have witnesses present?—Yes.

2371. You are not a sugar-refining operative now?—I am not.

2372. How long have you ceased to be?—Since the failure of the Counter Slip Refinery in Bristol.

2373. Who were the proprietors?—Messrs. Finzel.

2374. You were in their employ?—Yes.

2375. When they failed you were thrown out of employment?—I was.

2376. And you have not been engaged in sugar-refining since?—No.

2377. How many men do Messrs. Finzel employ?—Between 600 and 700 inside the walls.

2378. Why do you say inside the walls; were there others employed outside the walls?—There were about 130 journeymen coopers employed as well.

O.104.

Chairman—continued.

2379. Any one else?—Warehousemen and porters, and hauliers and carmen.

2380. What is the total number?—I estimate it to be about 900 earning their livelihood by means of that refinery.

2381. Did Messrs. Finzel make what is called moist sugar, or did they make loaf sugar?—We made loaf sugar up to the year 1867; then we were forced to discontinue loaf making, but we started again during the Franco-German war. At the conclusion of peace, in consequence of French duties, and the bounties consequently being doubled, we were obliged to discontinue loaf making.

2382. Since that time, up to the time of the failure, Messrs. Finzel made what is called moist sugar?—Yes.

Mr. Bell.

2383. You discontinued loaf sugar after the war?—Yes.

2384. And confined yourself to moist?—Yes.

Chairman.

2385. There are different kinds of moist sugar, I think; what was the peculiar nature of the moist sugar which Messrs. Finzel made?—We made all kinds, from pieces up to fine crystals.

2386. Is it not a fact that Messrs. Finzel's trade was principally confined to small clear crystals?—Yes, a great deal.

2387. It was a kind of moist sugar which came, perhaps, into more competition with loaf sugar than any other kind of moist sugar?—Yes.

2388. Do you wish to make any observations as to the rate of wages which you received there?—I can state this, that in the time of prosperity of this country, when other trades advanced in wages, when we made the same application, in common with other trades, for an advance of wages and the shortening of our hours of labour, we were always told that it was impossible on account of the great stress they had

Mr. Peters.

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Mr. Peters.

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Chairman—continued.

had in competing against the French bounty, and in consequence our wages were not raised, nor the hours of our labour shortened.

2389. When other operatives were receiving advances, the operatives in your firm did not?—We remained stationary.

2390. And the excuse given for this was, that the trade was not sufficiently remunerative, in consequence of the French bounties?—Yes.

2391. You spoke, I think, of 900 men having lost their employment in consequence of the stoppage of that trade; I suppose a large number of those men obtained employment elsewhere after the stoppage, did not they?—Some gained employment in refineries, but very few, and a great many have emigrated, and some remain out of work to this day.

2392. Has not this refinery, which was carried on by Messrs. Finzel, been started again?—Yes, it was started by a limited company, but it is on a very small scale; it does not employ more than about 80 men.

2393. I forgot to ask you if you knew how many tons of sugar Messrs. Finzel turned out in the course of the week?—We used to average about 1,200 tons of sugar a week.

Mr. Bell.

2394. Is that loaf?—No, moist sugar. We used to turn out about 110 or 120 tons a week of loaf.

Chairman.

2395. Since the stoppage of the loaf sugar making, the average turn out of refined sugar was about 1,200 to 1,500 tons a week?—About 1,200 tons.

Mr. Bell.

2396. That is when they are making all moist?—Yes.

Mr. James Corry.

2397. Am I to understand that, when confining themselves to loaf sugar, they only turned out about 120 tons a week?—We turned out moist with it.

Mr. Bell.

2398. How much?—At that time, perhaps, about 600 tons a week.

Chairman.

2399. That was in the year 1867, was it?—The year 1867.

2400. That was the year in which you stopped making loaf sugar?—That was the year in which we stopped making loaf sugar. We made several little attempts afterwards, up to the time of the French war, but nothing worth speaking of.

2401. I suppose it is a matter of fact, that Messrs. Finzel laid out large sums of money in enlarging their premises at that time?—Yes.

2402. And so they brought their house to be a house with a capacity of producing 1,200 tons of moist sugar a week?—Yes.

2403. That was the quantity of sugar which they did actually produce at the time of their stoppage?—Yes.

2404. Did Messrs. Finzel gradually reduce the quantity they made, or did they keep up the whole 1,200 tons to the very time they stopped?—They gradually reduced within the last three months, but not a great deal. I daresay that the fortnight it was stopped they turned out 800 tons of sugar.

Chairman—continued.

2405. You went on to say that after they stopped, the sugar house was again started, but only employing some 80 or 90 men?—That is all.

2406. Do you know the quantity of sugar that they turn out?—I think they turn out about 110 or 120 tons; something of that sort.

2407. Is it still working?—It is still working.

2408. Is it a limited company?—Yes.

2409. You do not know whether it has paid any dividends, do you?—It has not paid any dividend yet.

Mr. Stewart.

2410. How long has it been working?—Not quite six months yet.

Mr. Bell.

2411. Do they make any moist?—They make moist only.

Chairman.

2412. In answer to a question of mine, you said your observation went to show that Messrs. Finzel must have laid out large sums of money in extending their place; was that at any particular time, or did it go on continuously, every now and then money being spent on it, or was any large sum spent at any particular time, for any particular reason?—I could not answer that question. I know that the premises were advanced as the trade went on, and about 12 months before our firm failed there was a great improvement made in the machinery; some thousands and thousands must have been laid out upon new machinery about 12 months before we failed.

2413. The fact of Messrs. Finzel having failed in 1877, showed that although they had been doing a large business, they had been doing business at a loss?—Yes, that is the natural inference.

2414. I suppose, in the position you occupy as secretary to this committee, you have had what, in your opinion, you consider good opportunities of ascertaining public opinion in various parts of the country as to the system of the foreign bounties, and the benefit the consumer derived thereby?—I have been, I suppose, to every large centre of industry in the United Kingdom; at least, England and Scotland.

Mr. Bell.

2415. You mean sugar?—Other than sugar as well. I have been to Birmingham, to Sheffield, to Burton-on-Trent; that is about all. Manchester is a small sugar refining centre.

Chairman.

2416. Leeds?—I have not been to Leeds. I have been to 12 of the large centres in England and Scotland; we have had meetings, both public meetings and meetings of representatives from the different trades. I have always found that when our question has been explained to them, and the distinction is shown between our question and the agitation for reciprocity, they have unanimously voted for us.

2417. You say, "When it has been explained to them;" will you kindly explain to the Committee what you think is the difference between the two systems, the system of reciprocity and the system which you advocate for putting an end to these bounties?—In my opinion the difference

Chairman—continued.

ence between our question and reciprocity is this: reciprocity means retaliatory duties; but a countervailing duty is not a retaliatory duty. A countervailing duty accepts the article; a retaliatory duty refuses it. A bounty is a tribute from nations as an acknowledgment to this country that they are inferior to us in competition; and we as workmen think that this tribute should be taken and distributed to every one in the nation; not to hurt one particular branch of industry through the operation of it.

2418. Suppose the countervailing duty prevents the sugar coming in, then you do not get the duty to distribute?—We do not wish to prevent the sugar coming into our markets; all that we want is for the sugar to come into our markets upon equal terms.

2419. You would not advocate a countervailing duty, except for the purpose of equality?—Except for the purpose of countervailing the bounties, and giving us fair competition.

2420. It would, in your opinion, remove the evil in as satisfactory a manner at least, if foreign countries would take means to prevent those bounties being paid?—Yes, I believe the countervailing duty would be a remedy for bounties.

2421. It has been contended that notwithstanding the stupidity, if I may say so, of other nations in giving this bounty to their manufacturers, the effect of giving this bounty has been to lower the price to the British consumer, and that we should do nothing which would prevent the consumer getting the sugar at the lower price which they are able to get it at, in consequence of the folly of foreign countries; do you agree with that?—It is simply making the consumer of to-morrow pay for the artificial cheapness of the sugar of the consumer to-day. I do not consider that the cheapness can last.

2422. You do not think it is for the benefit of the consumer to buy anything which is artificially cheapened?—No, I think not; independent of the loss to the nation of the trade.

2423. From what you have derived, and the journeys you have taken, and the meetings you have held, you believe that if the effect of doing away with these bounties was to raise the price of sugar a farthing a pound, the working class would willingly pay it?—That has been what I have found at every meeting. We have explained the matter to meetings of workmen, that it may raise the price of sugar: and they have said that rather than see our West Indian colonies go away from us, and so unfairly treated and see our trade leave us, they would prefer to pay a farthing a pound more for their sugar, and keep the trade to the country.

2424. That is to say, that although they would perhaps be willing to assent to any foreign country receiving the benefits of any of the natural advantages which they might have, yet at the same time they do not think it right that this country should by a bounty be deprived of its natural advantages?—Just so.

2425. I suppose one consideration in their mind probably is that that system which is now applied to sugar might be applied to any other industry in the country?—Just so.

2426. And that the effect of that would be to put a stop to manufacturing operations here?—Yes.

2427. I suppose you are aware of the steps which have been taken by the past and present

*Chairman—continued.**Mr. Peters.*

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Government to put a stop to this sugar bounty?—I believe that both Governments have done all in their power, as far as negotiations go, to do away with the bounties; and that has been one of the reasons that has strengthened us in our agitation, because we think that it matters but little to the consumer whether the bounty is taken away from them by negotiations, or in the shape of a countervailing duty.

2428. Did you go over to Paris to see M. Léon Say upon this subject?—Yes, I was one of the deputation.

2429. Did you state any arguments to him as an inducement why the French Government should themselves take steps to put a stop to this bounty?—Yes.

2430. Have you anything to tell the Committee about the interview you had with M. Léon Say at that time?—I can only say this: that the only difference between us was that he said that English statesmen and English financiers over-estimated the bounty, and the real bounty, in his opinion, was about 96,000 £.; and he pledged himself with his colleague, the then Minister of Commerce, to bring in a Bill in the autumn that should remove the cause of complaint, and give us satisfaction. We came away from that interview, fully imbued with the idea that our mission was successful, and that the bounties would have been removed.

2431. Are you aware of any step such as that indicated having been taken?—We waited up till last January, and we then wrote to M. Léon Say, asking him what had become of his promise to the English operatives; and the reply that he sent was to say that the remedy which we wished for must be looked for upon the Austrian side. He could not guarantee us any permanent settlement of the question until steps were taken against the high and indirect premiums that Austria now had upon our markets.

2432. Did he advance that argument when you were in Paris?—He did; he mentioned that Austria enjoyed a great privilege upon our markets with respect to our raw sugar.

2433. The effect of that was that when steps were taken with reference to Austria, France would also be prepared to adopt measures, but not before?—Just so.

2434. I believe you have had correspondence with some public men on the subject, have you not?—Yes.

2435. Is there any of it you would like to draw the attention of the Committee to?—I should like to draw the attention of the Committee to the letter that my committee received from Mr. Gladstone; when it was read to our committee we were determined to carry on the agitation.

2436. You had better read the letter which you wrote to Mr. Gladstone, and the answer you received from him?—I could not do that; I have not a copy of the letter I wrote to Mr. Gladstone, but it was asking him his opinion upon the sugar question.

2437. Will you read the letter which you had from Mr. Gladstone?—"If, as I understand, the circumstances of the case continue unaltered, I think that both the trader and the workman engaged in the business of refining sugar have great reason to complain. My desire is that the British consumer should have both sugar and every other commodity at the lowest price at which

Mr. Peters.

Chairman—continued.

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which it can be produced, without arbitrary favour to any of those engaged in the competition; but I cannot regard with favour any cheapness which is produced by means of the concealed subsidies of a foreign State to a particular industry, and with the effect of crippling and distressing capitalists and workmen engaged in a lawful branch of British trade."

2438. Have you any other evidence which you wish to give to the Committee?—I should like to say that this system has been the means of displacing a great deal of British labour and transferring it to foreign channels, and it has caused a great deal of suffering and distress amongst the men that I represent, some hundreds and some thousands. If the West India people and the refiners can afford to wait, the workmen cannot afford to wait much longer; all the time we are waiting we are losing and the foreigner is gaining.

Lord Frederick Cavendish.

2439. Have you any information as to the number of operatives employed in this trade?—I should think there would be 7,000 to 8,000.

2440. In the United Kingdom?—Yes.

2441. At the present moment?—At the present moment; that is inside the walls; I do not mean the other branches.

2442. What do you imagine was the greatest number ever employed?—I should think there must have been 10,000.

2443. You imagine that the number has been diminished by 2,000 or 3,000 in the course of the last few years?—Quite that.

2444. Are you speaking from knowledge, or vaguely?—I am speaking from the number of the refineries that I know have been closed.

2445. You never looked at the Census?—No.

Mr. Orr Ewing.

2446. How long were you employed at the sugar refining trade?—Twelve years.

2447. What had you been employed in before?—I was in Her Majesty's Navy.

2448. The firm that you were working with employed about 900 people outside and inside the walls?—Yes.

2449. How many of those will be working at the works which are again started?—About 40.

Chairman.

2450. I thought you said 80?—There are about 40 of them that worked there before.

Mr. Orr Ewing.

2451. They employ about 80 at present?—They employ about 80 at present.

2452. Are there many of those 900 men who are going about without work?—Yes, a great many; there are 50 journeymen coopers that should find employment in Bristol, who do work at Burton-upon-Trent, the great brewing place, and consequently there are 60 journeymen coopers out of work there, so it tells one upon the other.

2453. You first were forced to give up the manufacture of loaf sugar, and then you manufactured moist sugar altogether, and your masters were ruined?—Yes.

2454. Do you consider that they were ruined because of an unnatural competition which they had with foreigners, who received a bounty from

Mr. Orr Ewing—continued.

their Government?—I do entirely attribute it to the effects of the bounty, because my employer has told me that he went to Lord Derby, who was then the Secretary for Foreign Affairs, and asked him if there was any chance of the bounty system coming to an end, if not he would have to close the refinery; and we have likewise the testimony of an article from the "Times" newspaper that attributes it entirely to the effects of the French bounty system.

2455. That was an article written at the time of the failure?—Yes.

2456. Had you a strong Trades Union in your trade?—We had in Bristol.

2457. Had you frequently strikes?—It was never known for us to have strikes; we had one little dispute, but that only affected about 40 men, and did not last above three days; that is the only dispute we ever heard tell of between workmen and masters engaged in the British sugar industry.

2458. Were the wages paid to the men employed in these works high?—No; the average wages would be about 22s. per week.

2459. Wages were not forced up higher in Bristol than they were in other parts of this country that competed with Bristol?—No.

2460. Were they cheaper than the wages in London?—Yes, they were a trifle cheaper.

2461. Therefore there could be no injury inflicted upon your master by any artificial raising of wages by Trades Unions?—No difficulty, and no trouble whatever.

2462. How many kinds of moist sugar are there?—There are different classes; there may be four or five.

2463. There is one kind of moist sugar called crystallised sugar?—Yes.

2464. That is sugar that is very pure and approaches loaf sugar?—Yes.

2465. Can you tell the Committee when that sugar was first begun to be made?—It was first invented by my employer, Mr. Finzel, but the year I could not exactly remember; it must have been about 1858, or something like that.

2466. It was made by centrifugal machines, was it not?—Yes.

2467. That is a sugar I think which has very much superseded loaf sugar?—Yes.

2468. It is a sugar that is preferred very much for the making of preserves and articles of that kind, as it is entirely free from fermentation, from its purity?—Yes.

2469. Do you not think that that crystallised sugar has very much displaced refined sugar in the consumption of this country?—I should think to some extent it has, but the mere fact is that there are 140,000 tons of loaf sugar imported into this country.

2470. We have had it in evidence that in the year 1864 we made in this country about 140,000 tons of loaf sugar, and that we are importing at the present moment 140,000 tons of loaf sugar, which shows it has not been an increasing trade?—Yes.

2471. What I was wishing to get from you was the fact that this crystallised sugar is a sugar that is so pure that it is preferred for many purposes to loaf sugar?—Yes, that is so.

2472. If bounties are given foolishly by foreign countries which make any trade unprofitable in this country, it may make sugar a little cheaper, but it destroys an important industry, and throws out

Mr. Orr Ewing—continued.

out of employment a number of people, and you object to that artificial way of destroying trade?—We do. The workmen that I represent have no objection if Austria and France can produce sugar and send it over to these markets as cheap as we can make it; we raise no objection whatever to that.

2473-4. You are quite prepared to compete with any country that has only got natural advantages, but you consider it unjust we should (without putting a countervailing duty) take sugar that receives a bounty from the Government of the other country?—Just so.

2475. You are speaking from your knowledge of the working classes?—Yes.

2476. They do not wish this countervailing duty to be put on for the purpose of protection?—Just so.

2477. But you consider it the duty of the Government to protect the working people of this country from any artificial opposition which destroys the industry of it?—Yes; that is our belief.

Mr. Bell.

2478. You told the honourable Member just now that you have no objection at all to compete with the natural advantages of any country?—No, not the slightest objection.

2479. You also said a short time ago that in your opinion the decadence of the sugar refining trade was solely due to the system of bounties granted by the French and other Governments?—Yes.

2480. That being the case, can you tell the Committee what the relative cost of sugar made in France and made in England is; take a ton of loaf sugar, what is the cost for material and labour and fuel of making a ton of loaf sugar in France?—I could not answer that question. I can tell what it might cost in this country.

2481. Perhaps I need not ask you that, because, if you do not know the other, the information on the one point would be of no use?—At the same time, I should wish the Committee distinctly to understand that I do not believe the French workman works any cheaper than we do.

2482. I am not asking about that; what I want to get from you, if I can, is a comparison between the cost of manufacturing loaf sugar in France and here, because you must see that, if the countervailing duty, or the benefit derived from a system of bounty, amounted to 50*s.* per ton, and if the French could make loaf sugar in France, and deliver it here at a cost of 60*s.* a ton less than the cost of loaf sugar here, the mere fact of taking off the bounty would not remove the difficulty?—In my opinion, as a workman, if such a thing as that were a fact, there would be no occasion for the Government to give a bounty upon their export.

2483. We do not know what their motive is; we have not gone into that at all; I think before you say that the bounty is the sole cause of the decline of the trade, it would be absolutely indispensable for you to know what the relative cost of sugar is, in France and here; without that information it is mere surmise; let me ask you about this bounty; as I understand you, in the first place you say that 80 men are required in the works at the present moment to

Mr. Bell—continued.

make about 120 tons of moist sugar per week?—Yes.

2484. The consequence is that, taking the amount done by the number of men employed, each must be turning out about 30 cwt. of sugar per week?—Yes.

2485. And for that he is paid 22*s.*?—Yes.

2486. In other words, the labour upon that cwt. of moist will be 8*d.*, as nearly as can be; two-thirds of a shilling, will it not?—Yes.

2487. Can you tell the Committee, approximately, how much more labour goes to make loaf sugar?—About three times as much.

2488. That, therefore, would be 2*s.* for the labour; what, in your idea, is the amount of countervailing duty required, in order to put matters right?—We would fix the minimum, the lowest that we knew of, at say 2*s.* 4*d.* per cwt.

2489. In other words, you would add a countervailing duty; equal to something like 4*d.* more than the entire cost of labour at the present moment?—I do not think that that would represent the entire cost of labour, because there would be other men besides these 80.

2490. I am taking your own words?—There would be clerks.

2491. Still if you put 4*d.* a cwt. on to the sum that I have already named, that would make 2*s.* 4*d.*, which, in point of fact, would be exactly equal to the amount of the countervailing duty you require?—Yes.

2492. So that in other words the countervailing duty upon loaf sugar would have to be equal to the entire labour paid to the workman in this country?—Just so.

2493. With reference to the manufacture of moist sugar, that, I believe, has greatly extended in recent years?—It has increased, I believe, but I do not know that it has increased in a corresponding ratio with the consumption.

2494. You were in the Navy?—Yes.

2496. From nautical matters, you applied your mind to sugar refining matters?—Yes.

2494. Did it take you long to learn the business?—It took me about 12 months.

2497. Then, I suppose, with the experience of a sailor, and the experience of a sugar refiner, making loaf sugar, you would very rapidly have learnt to make moist sugar?—Yes.

2498. How did it happen that all these men, who were thrown out of employment in the manufacture of loaf sugar, did not at once turn their attention to, and become absorbed in, the enormous extension that took place in connection with the manufacture of moist sugar?—I do not know that there was any place for them to go to work at. Do you mean for them to apply at other refiners?

2499. Certainly; the manufacture of refined moist sugar was greatly extending, and what one would have expected, I think, would have been (I ask you for your opinion) that, as the manufacture of loaf sugar went off, the manufacture of moist sugar was increasing; in fact, the Board of Trade Returns show that to have been the case; what I want to know is, how it happens that the loaf sugar makers, when they lost their employment of making loaf sugar, were not instantly absorbed by the enormous increase in the manufacture of moist sugar?—I can only speak to facts. The reason why they were not, I cannot say. I can only speak to the fact, that there

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was no employment to be found for the men in refineries in this country.

2500. In point of fact, you do not know why they did not become absorbed?—No.

2501. You have given the Committee some of your ideas upon free trade generally; you said that the workman would not mind about paying a farthing a pound more for his sugar?—Yes.

2502. Do you think a farmer who is selling his produce against the whole world, and has no protection of any kind, would look quietly upon any arrangement which would have for its object the increase of the cost of sugar to him and his family?—I have never been before an agricultural population on this question, but I should think that if the matter were explained to them, as it has been explained to the rest of my countrymen who are no more interested in the sugar trade than the agricultural population would be, they would say, rather than see your trade sacrificed, we, as Englishmen, like fair play, and we would rather pay a farthing a pound more for our sugar, and let your industry have fair play. If a farmer, or an agricultural labourer, suffered through Russia giving a bounty upon corn, I, as a workman, should enter my protest, in common with the agricultural labourer, and say it was wrong.

2503. If in an agricultural village there were two shops, one selling sugar made by English sugar refiners, and the other selling sugar, at a farthing a pound less, made by French refiners, you think the farmer, in order to keep the English refineries going, would buy his sugar at the dearer shops?—That would be appealing to his patriotism too much.

2504. That is what you are appealing to; you say you fear this system of bounties might be applied to other industries?—Yes.

2505. To what other industry; the iron trade?—Well, we will say the iron trade. I should object to Belgium sending girders, and other iron work, to this country with a bounty.

2506. Would you object to them sending iron to this country without a bounty?—No, certainly not.

2507. I do not ask you about industries to which no bounties are applied, but I ask you to which other industry of the country you think the system of bounties might be applied?—It could be applied to the iron trade. It might be applied to the cotton trade in time.

2508. You must be saying that without any knowledge of the iron trade?—Just so. I am not intimately acquainted with the iron trade.

2509. In point of fact, it could not be applied to the iron trade, because this country makes more than six times as much iron as Belgium does, and, therefore, no system of bounties would be able to displace English iron to the extent you seem to think possible?—I am very glad to hear it.

2510. You spoke of Austria enjoying great privileges in our country, with reference to raw sugar; how do they enjoy great privileges?—Because the Austrian Government give a bounty upon raw sugar.

2511. You were engaged in a manufacture where it was the evident interest of all connected with it to get raw sugar as cheap as possible?—Yes.

2512. Then why do you object to Austria

Mr. Bell—continued.

exercising the privilege of sending you raw sugar at a very low rate?—Because the bounty upon Austrian raw limits the other branches of the British sugar industry, such as the coopers, warehousemen, and porters, and when we amalgamated we pledged ourselves that we would go in for the repeal of the bounties upon raw as well as refined.

2513. And, therefore, although it is a manifest advantage to the sugar refiners of this country to get raw sugar as cheap as possible, you embraced in your scheme the exclusion of cheap raw sugar from Austria, in order that the coopers of this country might not be hurt?—We object to the artificial cheap sugar coming over from Austria, because it simply comes as long as the caprice of the Austrian Government chooses to allow it to come.

2514. And as long as it continues you object to its coming here?—Yes.

Mr. Orr Ewing.

2515. You were asked why those workmen who had been employed in the making of loaf sugar did not go to work at the moist sugar manufacture, but I suppose there were no moist sugar manufactories that sprang up after the failure of the loaf sugar, with the exception of your own, which you carried on for a certain time?—Just so.

2516. It is a most difficult thing to remove a whole body of people, who have ties in a particular district, to another district?—Yes.

2517. I suppose the principal increase in the moist sugar manufactories was in Scotland?—Yes.

2518. And though you might be employed in sugar manufactories, you might have sons and daughters employed in other branches of business in Bristol?—Yes.

2519. Therefore, it was impossible to go into Scotland and to separate from your family; and you do not think it is a good thing that the Government should compel people to act in that way, by reason of any artificial bounties given by foreign countries to the manufacture in which you are engaged?—That is just what I do think.

2520. While this bounty on raw sugar from Austria may be an advantage to the sugar refiners in this country, inasmuch as it enables them to get sugar unnaturally cheap, it would be most injurious to our colonies that grow cane sugar that they should be so weighted with this country?—Yes; my reply to that would be this as well, that it is only a question of time with Austria; she is now increasing her out-put of refined sugar, and it is only a question of time with her when she will withdraw the bounty off the Austrian raw and put it a little more on the refined, and flood our markets with refined sugar instead of the raw, and then we should lose our occupation altogether.

2521. You think that this artificial cheapness would not be permanent?—It cannot be.

2522. And it will go on until our industry is ruined, and then they would command the market?—Just so.

Mr. Alexander Brown.

2523. Why do you say that you think Austria will take off the bounty upon raw and put it upon

Mr. Alexander Brown—continued.

upon refined?—Because Austria would be eager to command all the labour that would be attached to the manufacture of sugar; for instance, a hundredweight of Austrian raw coming over to this country would not represent, perhaps, more than 2 s. worth of Austrian labour, but one hundredweight of Austrian refined sugar would represent, perhaps, 6 s. of Austrian labour.

2524. Do you know, as a matter of fact, that the Austrians are talking of making any move in that direction; that is, in the direction of taking off the bounty upon raw and putting it upon refined; do you know of any statement from Austria which would make you believe that to be the fact?—I believe the Austrian Government are beginning to grumble about so much bounty being given upon the raw sugar.

2525. Do you know how they propose to mend that?—No, I do not.

2526. They do not propose to mend that by taking the bounty off raw and putting it on refined?—Not that I know of.

2527. Raw sugar comes into this country cheaper than it ought to from Austria, by means of the bounty?—Yes.

2528. The manufacturers of raw sugar get their raw material cheap?—Yes.

2529. To a certain extent that would tend, at any rate for a time, to give them a fair remuneration upon their works, so long as that system lasts?—It is more than counterbalanced by the fact that although the refiner is able to buy the raw sugar in an artificially cheapened market, he has to sell his goods, when refined, in an artificially depressed market, so that it does not do him a great deal of benefit in the long run. He gets his supplies from there, and is able to keep his factory going; when, if he could not get it from there, perhaps he might have to close his refineries and keep his works idle.

2530. I understand you to have said just now that you and your association have gone in for the general suppression of bounties, wherever they come from?—Yes.

2531. And that is the broad view which you take of the whole question?—Yes.

2532. But, to a certain extent, you may possibly be doing English sugar refiners a certain amount of harm by so doing?—No, I do not think we should do ourselves any harm.

2533. They would have to pay a higher price for their sugar?—They would have a better market to sell it in after it was refined.

2534. Do you believe the price of sugar would go up, and the market become so much better that even if they had to pay a little more for raw material they would be the better for it?—I believe if bounties were abolished, the price of sugar must be one of two things; it must remain stationary or go up. It might go up for a period of one or two years, but I believe that the competition then amongst ourselves would become all the more keen, and that would bring prices down again.

2535. That is to say, the refiner would in three or four years lose the advantage of the increased price, which he might possibly gain for a year or two, by competition amongst sugar refiners in England?—Yes.

2536. He would have to pay higher for his raw material, and the prices he would receive for the manufactured article would in a year or two be no higher than they are now?—No, I
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Mr. Alexander Brown—continued.

think the prices would go down in the raw if the bounties were abolished. The West Indies people can answer the question better than I can. If the West Indies can supply Great Britain with plenty of sugar, then that is sufficient. We do not want the bounty-fed sugar from Austria.

2537. If there is to be great competition among the English refiners, of course the price of the raw will be higher, whether it is cane sugar or beet sugar?—It would be the natural price.

Chairman.

2538. You said that in a few years you thought probably competition would be so great amongst refiners here, that the price of refined sugar would fall?—Yes.

2539. I suppose you do not object to natural competition?—No, not in the slightest.

2540. The competition which would then exist, if the bounties were done away with, would be a natural competition between manufacturers?—Just so.

2541. At present the competition which exists is an unnatural one?—It is.

2542. Because our refiners have to compete with the bounty?—Yes.

2543. You have been asked some questions as to the advantage which the English refiner now has in getting the Austrian raw sugar below cost price; but if the French refiner is able to buy his raw sugar at the same price as the English refiner is able to buy his raw sugar, then it is no advantage to the English refiner as compared with the French?—No.

2544. That is to say, if the price of raw sugar in Paris is the same as the price of raw sugar in London, it cannot be said that the English refiner has any advantage over the French refiner in the price of raw sugar?—No, he has no advantage.

2545. You were asked some questions as to the relative costs of manufacturing sugar here and in France; you gave it as your opinion that we could produce as cheaply or more cheaply than France, and that it was only the bounty given by France which made them able to sell their sugar cheaper here than our refiners could make it?—Yes.

2546. You are aware that some loaf sugar, although a small quantity, still continues to be made here?—Yes, I am aware of it.

2547. And although it may not be made with any profit, yet the fact of the industry still continuing in the face of a bounty, which you estimate at about 2 l. 4 s. a ton, would tend to prove that our refiners here could refine cheaper than the French refiners?—Yes. I believe that our refiners can refine cheaper than France can.

2548. Because they are able to maintain some amount of refining even in the face of a bounty which you estimate at 2 l. 4 s. a ton?—Yes.

2549. Is it not a fact that coal is a considerable item in the cost of refining sugar?—Yes, it is a very considerable item.

2550. And, of course, as you are aware, coals are very much lower in price here than in France?—Yes.

2551. You are still of opinion, from your experience as an operative, that our refiners can refine sugar as cheaply as in France?—Yes.

2552. And it is the bounty which alone gives them
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them the advantage?—Yes, I am of that opinion.

2553. You were asked how it happened that all the men who were thrown out of employment did not turn their attention to other refineries, seeing that the trade extended so largely; is it a fact that most of the sugar refining has extended largely since Messrs. Finzel closed in 1877?—I should think not. I only know two refiners who have closed since ours; one in Manchester and one in Leith.

2554. With reference to the case suggested to you of loaf sugar operatives losing their employ in loaf sugar making, it was asked by an honourable Member why they did not turn their attention to moist sugar, and so get absorbed; as a matter of fact, it requires three or four times the amount of labour to make loaf sugar that it does to make moist sugar, does it not?—Yes, quite that.

2555. Therefore, a very much larger number of people are employed in making loaf than could be employed in making the same quantity of moist?—Yes.

2556. You were asked with reference to what would be the opinion of the agricultural population as to sugar becoming a farthing a pound cheaper. One of your arguments, and one of the arguments of those who think with you, is, that this cheapness of to-day will be purchased at the additional cost of to-morrow?—Yes.

2557. So that what might be a possible advantage to-day might be very dearly bought by a very much enhanced price to-morrow?—Yes.

2558. Suppose foreign countries were to supply us with everything that we required 10 per cent. below cost price by means of bounties, do you think that would have the effect of destroying our industries?—I should think it would; I should not have any objection to it. As I have not got a lot of gold to spend myself, some one would have to find it.

2559. Would not you have any objection to all the industries of the country being destroyed?—Not if the employers would not find any objection to it, because they would have to part with the money; it would not be me; it would not be my class.

2560. Would not you have to buy something to keep up your existence?—Yes, we should.

2561. How should you buy it if you were deprived of your employment?—We could not buy it at all.

2562. Then you would object to our manufactures being destroyed, would not you?—Then the employers would not see us starve.

2563. If the employers were deprived of all means of making money, how would they assist you?—They could help us as long as the gold lasted in this country.

2564. When the gold gave up, what then?—Then we would all starve together.

2565. Then you would object to seeing our manufactures destroyed, would not you?—Of course I should.

2566. What do you think would be the effect of foreign countries supplying us with everything we required 10 per cent. below possible cost price for two years and then ceasing to do so; what would be the natural effect on the price of the commodities which they supplied us with after two years 10 per cent. below cost price, if at the end of those two years they ceased to supply us

Chairman—continued.

with them, and all our manufactures were in the meantime destroyed?—Well, we should be in a most deplorable condition I should think.

2567. Prices would be considerably higher?—Yes.

2568. And that really, although in an exaggerated form, is your contention with reference to sugar?—Just so.

2569. You said the same system will be applied to other industries?—Yes, it might.

2570. You suggested that it might be applied to manufactured iron?—Yes.

2571. An honourable Member said it could not possibly be applied to manufactured iron, because this country produced six times as much as any other country?—Yes.

2572. Was not it the case that at one time this country produced six times as much refined sugar as any other country?—Exactly so. I should have replied to the honourable Member in that strain, only I did not have the opportunity.

2573. The effect of the bounty being to promote the industry in the country where the bounty is given, and to extinguish the industry in the country where the produce is sent?—Yes.

2574. And that you think could be applied to iron?—I believe it could be, because I find that in a great many buildings now Belgian girders and wrought-iron screws are being used.

2575. It might be applied, I think you said to cotton?—And to cotton.

2576. It might be very easily applied to cotton, might not it?—Yes.

2577. Suppose America, for instance, desiring to promote cotton manufacturing industry, was to give a bounty of 10 per cent. upon the export of cotton goods, the only effect of that would be to create an industry in America, and to extinguish our industry here?—Yes.

Mr. Morley.

2578. I suppose you specially represent labour here?—I do.

2579. You do not come to discuss scientific or economical views of the question, do you?—No; I should be something like our trade, the odds would be too much against me.

2580. I suppose you have arrived at the impression that a bounty is an outrage upon free-trade principles?—Yes.

2581. And that inasmuch as it causes a great loss to the labouring population connected with the trade, something should be done to remedy it?—Yes.

2582. What trades do you represent here?—I represent sugar operatives, journeymen coopers, warehousemen, and dock porters.

2583. I think one of the witnesses, Mr. Shepherd, if I remember his name, stated there were 500 men at Bristol out of employment in consequence of the depressed condition of the sugar trade?—Yes.

2584. And 100 at Plymouth?—Yes.

2585. Have you attended meetings in different parts of the country on this question?—Yes, I have attended almost in every large centre.

2586. I understand that the unloading and delivering of sugar from the West Indies employs a very large number of men?—Yes.

2587. And that beet sugar from its compactness

Mr. Morley—continued.

ness in packing is much easier of delivery, and employs a less number of men?—Yes.

2588. I can quite understand that it was a great advantage if it did not produce greater disadvantages; there is a large amount of suffering occasioned by even the change of form in which the sugar comes?—Yes.

2589. Do the sugar operatives work long hours, as a rule?—I think I can safely tell the Committee that the sugar operatives work longer hours than any other branch of industry in Great Britain; at least anything that I know of.

2590. How many hours?—They generally work from 6 till 6, Saturdays included; 12 hours a day.

2591. Some time, I suppose, is allowed for

Mr. Morley—continued.

meals out of that?—Yes, an hour-and-a-half; sometimes not meal hours; sometimes we cannot stop.

2592. Are they paid by the day or by piece work?—By the day.

2593. You represent a committee?—Yes.

2594. Was that committee formed at the instance of the refiners or of the men?—At the instance of the men at a public meeting in Bristol on all the branches engaged in the sugar trade.

2595. You are able to state, I suppose, that there is a very strong feeling among the men that they wish their position to be taken into account in considering this question of the effect of this bounty upon sugar?—Yes.

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Mr. THOMAS DANIEL HILL, called in; and Examined.

Chairman.

2596. You are, I believe, Chairman of the West India Committee?—Yes.

2597. How is the West India Committee formed; can you give us any information as to how it is composed?—It is composed entirely of planters and merchants connected with the West Indies and proprietors.

2598. You have considerable knowledge, I suppose, of West Indian affairs?—Yes.

2599. I suppose your committee is specially for the purpose of looking after West Indian interests?—It is.

2600. In addition to your representing the West India Committee, I believe you also represent the West India Associations of Liverpool and Glasgow?—Yes; Mr. Lubbock and myself have been appointed to speak for them.

2601. Are the West India Associations of Liverpool and Glasgow formed much upon the same basis as the London West India Committee?—Yes.

2602. I believe you are also chairman of the Colonial Bank?—I am.

2603. In that position you have special facilities for acquiring knowledge of the state of the West Indies?—Yes, and a great insight into it.

2604. Have you yourself been in the West Indies?—Yes, I have visited the West Indies three times, first in 1849, then in 1866, and lastly in 1874.

2605. Are the West Indian Colonies, at the present time, in a flourishing or a depressed condition?—They are very much depressed at present.

2606. How long have they been in that depressed condition?—The depression visibly commenced in 1872. I may say that previously we had a very hard struggle. I entered business in 1840, and in 1846, when the slave sugar was admitted, the depression was exceedingly great, and a very hard struggle took place for many years, but the West Indies gradually surmounted their difficulties, and appeared to be getting into a very flourishing state after the year 1855, and gradually improved until 1872, I may say; since that time the depression has gone on increasing.

2607. Does that answer hold good with reference to all the West Indian Colonies?—Yes, it does mainly.

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Chairman—continued.

2608. I may take it that they are all in very much the same condition?—There is a good deal of difference; Barbadoes is very thickly inhabited. It has a large white population. All the others are thinly inhabited. In Demerara and Trinidad they have a very large emigrant population which makes them rather different to Jamaica and some of the other islands.

2609. I may take it that Barbadoes, in having a large population, has special advantages?—It has.

2610. But notwithstanding those special advantages, Barbadoes still suffers from the general depression which exists in the others?—Yes.

2611. The sugar industry of course is a very important industry in the West Indian Colonies?—Yes, it is the mainstay of the West Indies.

2612. I suppose the value of estates in the West Indies would be in proportion to the profits obtained by sugar cultivation?—Yes.

2613. Can you tell us what the position, as far as value is concerned, of estates in the West Indies is at this moment?—Estates in the West Indies are almost unsaleable at the present moment.

2614. Have you ever known them to be of less value than they are at this moment?—I suppose between 1846 and 1850 they were in a worse position. That was after the Bill admitting slave-grown sugar was passed. The failures of that time and the abandonment of estates were very great.

2615. Having recovered from that they commenced to be prosperous, but now they are again reduced to a condition similar to that which existed at the time of the abolition of slavery?—Yes; we have to compete with bounty-fed sugar as well as slave sugar.

2616. You account for the present depressed state of things in the West Indies from the fact that you have to compete with bounty-fed sugar?—Yes.

2617. You do not see the same prospect of a revival such as took place in 1846 and the years following?—The despair was very great at that time. But now we feel that the system of bounties ought to be stopped. It is contrary to free trade.

2618. There, of course, is a marked difference between the state of things now and the state of things then?—Yes.

Q

2619. Then

Mr. Hill.

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Chairman—continued.

2619. Then it was, perhaps, possible, by other arrangements, to overcome the depression; but do you see any possibility of overcoming the system which is now ruining the West India Islands; the system of bounties, if they continue?—None whatever, if they continue.

2620. Does the bounty system affect West India sugar more than East India and Mauritius sugar?—Yes, it does.

2621. Why?—Because the West Indian planters have no market for their sugar in America, or at least, a very limited market, and in Canada, and no market at all for Europe, so that their sugar is obliged to come to England.

2622. Is it not so with the East Indies and Mauritius?—They have a very important market on the spot, and they only send their sugar to England when it is at a high price in England.

2623. I suppose very little of it comes now?—Very little of it.

2624. You say the West India growers have no market in America; why is that?—My firm's agents in the West Indies wrote the other day, on the 7th May and they say, in their letter, "The alterations made in the tariff of the Dominion of Canada will, we expect, cause a considerable quantity of the produce from the West India Colonies to go northward," which it has never done before. "The differential duties on sugar in the United States will prevent any large quantity of sugar going to that quarter." We had written to them on the subject of whether we could not sell. I do not know what the arrangements are in Canada.

2625. I suppose the West India Committee have taken steps to represent the effect which these bounties are having upon them to the Government?—Yes, and most of the colonies have petitioned Parliament several times on the subject of bounties, to take steps to remove them.

2626. As a matter of fact, nothing has been effected?—As a matter of fact, nothing has been effected.

2627. Have you any figures to show the relative importations of sugar into the United Kingdom, of cane and beet?—Yes; and I may say Mr. Lubbock has gone very carefully into the statistics and the duties, and he has papers when his evidence comes before you, and he will produce this paper. It shows that the importation of beetroot sugar has increased 300,000 tons since 1862, whilst West Indian sugar has remained stationary.

2628. Do you believe that it is the bounty system alone which has led to the large increase of beetroot growing, as compared with the stationary condition of the cane?—I believe entirely; and in 1870 the Chancellor of the Exchequer, Mr. Lowe, said that beetroot sugar had been in a very unprosperous condition. He said, "The beetroot industry of the Continent seems to have got over its difficulties and to be spreading very widely;" that was when the practice of bounties first began to operate seriously. "There is also the prospect of the growth of beetroot with this object in our own country." Mr. Lowe was halving the sugar duties at this time, "and if we could hope for anything as good as that it should be introduced with success into the south of Ireland, it would be one of the greatest blessings that could befall that country." We were in hopes that the in-

Chairman—continued.

dustry would be introduced at that time owing to the reduction of the duty.

2629. As a matter of fact, was any inquiry made as to the possibility of growing beet to any extent in Ireland?—It was attempted. The roots, I believe were very rich, but it did not answer.

2630. It had bounty-fed beet to contend with, had it not?—I think it was attempted some years ago before the bounty set in. I do not think it was attempted after 1870.

2631. The observations which you read from Mr. Lowe were made in 1870?—Yes, and he then expressed a hope that it might become an article of cultivation.

2632. In Ireland?—Yes. Mr. Lowe thought because beetroot was so flourishing on the Continent it ought to flourish in Ireland.

2633. You do not know whether any attempt has been made since that time?—I think not.

2634. Is there any ground for supposing that perhaps there may have been some want of enterprise on the part of the cane sugar growers in not keeping up to the mark in the way of machinery or otherwise?—No, I think not. Very large amounts of money have been spent in machinery in Demerara, Trinidad, and Barbadoes principally.

2635. As far as your experience goes, nothing has been left undone which would tend to cheapen the growth of cane sugar?—Nothing.

2636. In your opinion the foreign bounty system is alone the cause of the low prices paid for West India sugar?—Yes.

2637. You contend, I presume, that prices now obtained are such as not to be remunerative to the grower?—Yes.

2638. And that has been caused, in your opinion, by competition with the bounty-fed beet?—Yes.

2639. You do not fear any competition with beet sugar grown without a bounty?—No.

2640. And if it could be grown in Ireland or England you would not fear any competition which arise from that?—No; we should be glad to see it.

2641. Speaking with reference to the prices, can you give us any indication of the prices of cane sugar, and how they are ruled?—The average of the last six years, compared with the six years before 1873, shows a falling off in the net price of common sugar, of which I have samples here; it shows a falling off of 2*l.* 16*s.* 10*d.* per ton upon the common West Indian sugar. That (*producing a sample*) is the kind of brown sugar they commonly make in the West Indies. From the Barbadoes estates the falling off during the last six years, compared with the previous six years, was 2*l.* 5*s.* 7*d.* upon the ordinary sugar.

Mr. Bell.

2642. Could you give the price each year?—No, I have not got it; I take the average for six years to show the falling off; I believe Mr. Lubbock has it for consecutive years.

Chairman.

2643. Will you again state what the fall in price has been?—In the common sugars the falling off in price on the average during the last six years, compared with the previous six years, is 2*l.* 16*s.* 10*d.* a ton.

2644. On

Chairman—continued.

2644. On what price ; what is the value ?—The value might have been about 20 l. a ton.

2645. It shows a falling of 2 l. 16 s. 10 d. upon that ?—Yes.

2646. How much upon the finer kind ?—In Barbadoes they have lost 2 l. 5 s. 7 d. per ton.

2647. What is the price of those sugars ; the Barbadoes per ton ?—The common used to be 20 l. a ton ; Barbadoes 20 l. 10 s., and the Demerara would be worth 26 l. a ton ; 24 l. a ton, net.

2648. The percentage of fall has been much less upon Demerara than upon either of the other two ?—Demerara makes crystallised sugar on some estates. It has been less upon the crystallised Demeraras than upon the other. Sugar is much lower this year than it has been the last six years.

2649. What is the price of sugar now ?—The common brown sugar would be about 17 l. a ton ; it is, perhaps, only 16 l. 10 s., market price.

2650. Where is the common sugar grown ?—In the general run of the West India Islands, and in Demerara.

2651. What is the present price of the Barbadoes sugar ?—The present price of the Barbadoes sugar is about 18 l. a ton, market price.

2652. What is the present price of the Demerara ?—The present price of Demerara is higher than beetroot loaf sugar ; it is 26 l. a ton, market price.

2653. How do you account for it being higher than the price of refined sugar ?—Because refined sugar is so unnaturally low in price.

2654. The refined sugar contains more pure sugar than the other, does it not ?—Yes, it does.

2655. And yet it is lower in price ?—Yes.

2656. Does much of the Demerara sugar come here ?—Yes.

2657. And although it does not contain so much pure sugar as the loaf sugar it fetches a higher price ?—Yes.

2658. Can you account for that at all ?—The unnatural cheapness of bounty-fed sugar is one cause, and the other is that Demerara makes a peculiar sugar.

Mr. Alexander Brown.

2659. Is that white sugar ; French beetroot sugar ?—I do not know that it is made of beetroot ; it is sold to French people. This (*producing a sample*) is what they make to send to this country ; it is far superior to what they eat themselves, and at a cheaper rate.

Chairman.

2660. You said Demerara sugar brought a higher price than refined loaf sugar in this country ?—Yes.

2661. And as a reason, in your mind, you stated that it was because the loaf sugar was so unnaturally forced down ?—Yes.

2662. But if the refined loaf sugar is forced down to the low price, how do you account for it not also forcing down below it an article which is not so good ?—I may explain that all sugar made from beetroot, or from the cane, is, as a rule, made into sugar not fit to be eaten. The Demerara people make a sugar that is fit to be eaten at once.

2663. I do not see how that very well accounts for the fact, because we have not to deal with the question of the manufacture of the sugar, but with this fact : we have two kinds of sugar,
0.104.

Chairman—continued.

Mr. Hill.

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one pure sugar and the other not pure sugar ; pure sugar sells at a lower price than the sugar which is not pure, and it seems so extraordinary that this should be so, that one cannot very well understand it ; you cannot account for it ?—There is a limited quantity of this sugar, and the refiners in England find a difficulty in imitating it.

2664. Demerara sugar is a fancy article ?—Yes.

2665. And therefore brings a slightly higher price ?—Yes.

Mr. Thornhill.

2666. It is used for coffee chiefly, is it not ?—Yes, it comes into consumption immediately without any refining process.

Chairman.

2667. Could you tell us at what price this Demerara sugar sells per pound, retail ?—Three-pence.

2668. What price do French loaves sell at ?—Three-pence.

2669. The same price ?—Yes.

2670. It is not lower ?—No, you buy French loaves at 2½ s. 6 d. per cwt. free on board in Paris.

2671. What is the price of this per cwt. ?—About 26 s.

2672. The retail price is the same ?—Yes.

2673. Are other cane-producing countries suffering in the same way as our own West Indian Colonies are ?—All the West India sugar-producing countries are suffering very much ; Cuba, Porto Rico, Santa Cruz, and the Brazils.

2674. Some of these countries have special facilities, have they not ?—They have slave and forced labour.

2675. And still they suffer ?—Yes.

2676. Do you attribute their suffering to the same cause as our own ?—In a great measure.

2677. I believe you do not propose to go into the exact figures showing the bounties of various countries ?—No ; Mr. Lubbock has taken some pains about that.

2678. You are satisfied as to the extent of the bounties in all these countries ?—Yes.

2679. You have heard the evidence given by Mr. Martineau on the subject of the amounts of these bounties ?—Yes.

2680. Generally speaking, I suppose you agree with him ?—Generally speaking, I agree with him ; I should like to mention that the consumers in Europe pay some portion of the bounty which cannot be defined ; France, for instance, is said to consume only 260,000 tons a year ; she consumes a good deal more, which of course gets into consumption without paying duty to the State.

2681. You say the consumer pays some portion of the bounty ; the consumer pays the whole of the bounty, does he not, in France, he being the taxpayer ?—I suppose so ; but it does not all come out of the Treasury, not ostensibly.

2682. If the bounty system had not checked the increase in the growth of cane sugar, do you believe the West Indies are in a position to supply all the requirements of this country ?—I think so. The land is so very rich in the West Indies that if sugar cultivation had only been really profitable, I believe they would have produced enough to have supplied the whole of Europe.

2683. It is, I suppose, the want of confidence
Q 2 felt

Mr. Hill.

Chairman—continued.

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felt in the West Indies as to the continuance of otherwise of these bounties, which has prevented the development?—Yes; during the last six years we have only had one good year, 1877, and cultivating at a loss has so disheartened everybody that a great want of confidence is felt.

2684. You spoke of a good year, 1877; what was that owing to?—Owing to a small failure of the beetroot crop. I think the beetroot crop in 1875-1876, was 1,372,000 tons, and in 1876-1877 it was 1,100,000 tons.

Mr. Bell.

2685. Reckoned as raw sugar?—Reckoned as raw sugar.

Chairman.

2686. They fell off about 270,000 tons?—Yes.

2687. That, I suppose, led to a considerable increase in the price of raw sugar?—A very great increase.

2688. What increase?—Twenty-five per cent., I should think; much more than that.

2689. You are not prepared to state exactly?—No.

Mr. Orr Ewing.

2690. West India sugar went up to 27 s., did it not?—Yes, perhaps 40 per cent. from the lowest price; now it is a good deal more.

Chairman.

2691. Mr. Lubbock will be able to tell us the exact state of the things with reference to that?—Yes.

2692. I suppose you have no doubt that if the planters in the West Indies could feel satisfied that these bounties were abolished, the growth of cane sugar would largely increase?—Yes.

2693. And of course there would be a corresponding benefit to the colonies?—Yes.

2694. If the system of bounties is continued it must eventually end in the extinction of cane sugar growing?—Yes.

2695. Of course, altogether apart from being a West Indian sugar grower, you think by destroying one natural source of supply you would practically be creating a monopoly for the competing industry of the Continent?—Yes.

2696. Do you suffer any disadvantage in the West Indies on account of want of labour?—Yes, we do; but we find very little difficulty except from impediments thrown in the way by the Colonial Office in getting labour; the Chinese are very anxious to emigrate, and so are the Indian coolies.

2697. You do not think you would have any difficulty in obtaining labour for the increase of the growth of sugar?—No.

2698. If you desired to extend the cultivation of it?—No, we find no difficulty in Demerara.

2699. You spoke of the bounty being a great impediment in the way; have you any suggestion to make as to the remedy you would propose to put in the place of this bounty?—On principle I should like to reject bounty-fed sugar altogether, because it has the same effect on the legitimate trade as the sale of stolen goods.

2700. You would shut it out, in fact?—Yes, on principle I would shut it out certainly myself;

Chairman—continued.

I think that a uniform impost of 3 l. a ton might be tried with advantage.

Lord Frederick Cavendish.

2701. On all classes of sugar refined and unrefined?—Yes.

Chairman.

2702. Not that you believe if that were done it would have to be imposed, but in your opinion it would be a means of putting a stop to the bounties?—I think it would.

2703. The moment the bounties were counter-vailed it would cease to be any object to foreign countries to pay these bounties?—They would come into some convention.

2704. A foreign country would not continue to pay a bounty which was simply collected by us at our ports?—No.

2705. Is there anything else which you desire to place before the Committee?—I wish to observe what I think has not been stated before, that the import of loaf sugar is quite 100,000 tons besides the import of cubes and broken sugar, so that the import of really refined sugar may be 200,000 tons; it seems to be under-estimated to my mind. It has been taken once or twice as only 140,000 tons; I have no means of ascertaining, but the "Grocer" gives the return of the loaves and sugar brought into this country; and last year, according to the "Grocer," we introduced 7,729,689 loaves of sugar; large loaves of 28 lbs. a loaf.

2706. How much would that give?—That would approach 100,000 tons.

2707. Where did you get the other from?—The "Grocer" also states that 2,544,210 packages of sugar, a great deal refined, only broken, were introduced last year.

2708. I have taken it out from the Trade and Navigation Returns of 1877, that there was an importation of refined sugar from Russia, Denmark, Germany, Holland, Belgium, France, and the United States of 171,500 tons; from your observation is that, in your opinion, about the amount in weight that you do get?—Is that refined?

2709. Yes?—Yes.

2710. That tallies with your information?—It would.

Mr. Bell.

2711. I think that includes candy?—Yes.

Chairman.

2712. Is a large proportion of this candy?—No, I should say a very small proportion.

2713. Do you know whether the candy comes from any particular country?—I think it comes from Holland principally.

2714. You think the proportion of candy in that 171,500 tons is very small?—Yes.

Mr. Bourke.

2715. Supposing the cultivation of beetroot sugar increased very much in France, do you suppose that would send down the price of sugar?—No, I think not; the price now is so low.

2716. Do you think that will affect the West Indies injuriously?—Yes, certainly.

2717. Then why do you not think it will tend to send down the price of sugar generally?—Because they export under a bounty, and on that

Mr. Bourke—continued.

that account they keep up the price in France, and supply the world with cheap sugar.

2718. It is the quantity of sugar that sends down the price, is it not?—India and China make much more sugar than any other part of the world, and India only sends her sugar to England, although it is our own colony, when the price of sugar is high here. France would have to contend with India before she lowered the price of sugar materially.

2719. If the increase of beetroot cultivation went on in Austria and France and other European countries, would not that send down the price of sugar?—If they made more sugar than could be consumed, no doubt it would.

2720. I do not put it in that way; it is not more than they can consume. If the area of cultivation is much larger than it is at present, do you think that that would send down the price of sugar?—When this country is prosperous, it can take off any amount of sugar at a low price; it all depends upon the market.

Mr. Alexander Brown.

2721. With reference to the answer you have given to Mr. Bourke, the depression in the West Indies began in 1872, I think you stated?—Yes, seriously.

2722. Was not that contemporaneous with the general failure and mercantile depression; the beginning of the turn of the tide, in fact?—I think the general tide turned in 1874.

2723. Was not there a great depression in America in 1872?—I do not know.

2724. What other sugar-producing countries interfere with the West India sugar growers; you have mentioned India?—No other sugar-growing country except the slave growing countries.

2725. Which would be what countries?—Cuba and Brazil.

2726. Could you give us any information as to what sugar is produced in these two countries?—Cuba produces between 600,000 and 700,000 tons.

2727. Has it increased since 1872?—No, it has not.

2728. Brazil?—About 200,000 tons, I believe.

2729. Has that increased or been stationary?—That has remained stationary; I believe it has gone down.

2730. Does any sugar come from Peru at all?—Yes, we imported 60,000 tons from Peru last year.

2731. Is that a new import?—Yes.

2732. Is that likely to be an increasing import from Peru?—If they can get slaves, or Chinese who are made slaves of, no doubt it will increase.

2733. It is a question of labour in Peru, I suppose?—Yes.

2734. Do you think the import of Peruvian sugar is likely to have had an effect on the price of sugar in the English market?—Sixty thousand tons in the course of a year would not have much effect.

2735. Do not you think there is a sort of tendency to produce sugar in other tropical countries besides the West Indies; do not you think the area of sugar-growing countries in the world is increasing; I do not mean the beet, but the cane sugar-growing countries?—America is

Mr. Alexander Brown—continued.

affording protection to various countries now; the Sandwich Islands, and her own sugar-growing states, Louisiana; but I do not know that it is increasing where it competes with the West India sugar.

2736. I think I understood you to say that there has not been much sugar sent from the West Indies to America?—Not much lately.

2737. Is there a tendency to increase or diminish that trade?—Canada is likely to increase.

2738. But the United States?—The United States are not likely to increase their demand for sugar in the British West Indies; they rather favour Cuba.

2739. If the Cuban sugar is taken off the American market, that would have an effect on the West Indian markets, and increase the price?—Yes.

Mr. Bell.

2740. You said that the West Indies are quite capable of growing sugar enough to supply all Europe?—Yes.

2741. Is that by devoting more land to the growing of sugar, or increasing the land beyond the lands which are now under sugar cultivation?—Taking in more land; the land is very well farmed in the West Indies now, and produces a large amount of sugar per acre.

2742. Getting as large amount of sugar per acre as you think the land is capable of affording?—In most places.

2743. You consider the bounty alone answerable for the distress you are labouring under at the present moment?—Yes.

2744. Have you been able to form any calculation in your own mind as to the absolute relative cost of growing a ton of sugar in France from beetroot, and growing sugar in the West Indies?—No.

2745. The difficulty I have in my mind is to ascertain how you ascertain how much of the difficulty is attributable to bounty, and how much to inferiority or superiority of one country over the other in growing sugar?—I am told that the fabricants cannot grow sugar, the first boilings, under 25 s. a cwt.

2746. That is the raw sugar?—Yes, and the other sugars at a less price.

2747. You cannot grow it under 25 s. a cwt.; do you mean in France?—Yes, white crystals.

2748. They send here at a great deal less than 25 s.?—Yes, they do.

2749. Where they have no bounty?—They have a small bounty.

2750. France has no bounty, as I understand, on raw sugar?—They have a bounty on raw sugar; when the Convention of 1864 was entered into it contained only a clause for loaf sugar, and the French some years afterwards stipulated that white powdered sugar (that is the white crystal sugar) should be admitted as refined sugar into England, and they would not have done that without putting some bounty in it.

Chairman.

2751. You refer to *poudres blanches*?—Yes.

2752. By using that sugar the refiner obtains more bounty?—No; I mean the sugar that comes over to England, not that goes to the refiner in France.

2753. The *poudres blanches* sugar is really refined sugar, is it not?—No, it is the purest white sugar

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Chairman—continued.

Mr. Bell.

2754. Your opinion is that beetroot cannot compete with the natural advantages of the West Indies, that is without the assistance of bounty?—No, I think it cannot.

2755. And, therefore, when you say that you would not mind any competition from Ireland, you say so because you know that Ireland could not compete with you?—I do not know that it cannot.

2756. One of the two?—I should like to see the trial made.

2757. Still you say, as regards France, which is a better climate than ours, that France cannot compete with West India sugar so far as the mere cost of growth and production of raw sugar is concerned?—It cannot.

2758. If the more favourable country is unable to compete with the West Indies, *à fortiori*, Ireland would be less able?—Ireland would have no Excise supervision, and no difficulty of that kind to contend with.

2759. I am speaking irrespective of any Excise difficulties?—They have that in France.

2760. You think Ireland might be able to compete?—It is possible, I think.

Mr. Orr Ewing.

2761. You presented two samples of white sugar here, one purchased at Dieppe, and another sold in London; you gave us the price of the samples sold in the English market at 3 *d.* per pound, that is in retail?—Yes.

2762. Will you tell the Committee what you paid for this sample that you got at Dieppe?—I gave 14 francs 80 centimes for the loaf, which is equal to 11 *s.* 9 *d.*, the duty on which, at 73 francs, would be 7 *s.* 4 *d.*, or 5 *s.* 11 *d.*, and the price would be 5 *s.* 10 *d.*, which is equal to 3 *d.* and one-eighth of a penny.

2763. That is free of duty?—Yes.

2764. There is only the difference of one-eighth?—No; but there is a great difference in the quality.

2765. They sell in their own country a worse quality at a higher rate, and they sell a better quality in this country at a lower rate?—Yes. I think anybody could tell the difference in the sugar.

2766. You could not answer the honourable Member who asked you about the expense of cultivating sugar in the West Indies, in comparison with the price in France?—No.

2767. That is not relevant to our inquiry?—No.

2768. You have no objections that every country should have the advantage of its natural advantages to compete with us, but you object to bounties being given?—Yes.

2769. Our inquiry is to discover a remedy for this artificial manner of increasing the cultivation of sugar in France and on the Continent of Europe, and depressing the industry in this country?—Yes.

2770. You have not paid any attention, I suppose, to the cultivation of beetroot in this country?—No.

2771. You alluded to some experiments that were made in Ireland?—Yes.

2772. When was that?—It was a long time

Mr. Orr Ewing—continued.

ago. Mountmellick, I think the name of the place was.

2773. How many years ago?—I should think 20 years ago.

2774. You said the beetroot was very rich, but it did not succeed?—It did not succeed. I have not looked it up.

2775. You cannot give us any reason why?—No.

2776. As a matter of fact, you date the depression of the sugar trade from the year 1872?—Yes.

2777. Long before that bounties were given in France and Holland?—Yes.

2778. I presume you fix 1872, because in the year 1871, France in her difficulties doubled the duty upon sugar?—No doubt we felt the bounty then more.

2779. The bounty was doubled in consequence of the doubling of the duty?—Yes.

2780. We have felt the effect of the bounty greater in consequence?—Yes.

2781. Do you know anything about the quantity of raw sugar that is imported from France into England?—No. I have not got the figures; it is a small quantity.

2782. Does France buy much raw sugar from Germany?—No.

2783. Or Austria?—No, I think not.

2784. You are not aware?—I am not aware.

2785. Would you have known if it did so?—I think so. I think it would have been notorious.

2786. Jamaica, I suppose, is suffering much more than any other of the West India Islands?—I think it is.

2787. Partly from the labour question?—Yes.

2788. How is it that Jamaica cannot get the advantage of labour in the same way as Barbadoes and Demerara and Trinidad?—Barbadoes wants no labourers; Demerara and Trinidad have imported labourers, and Jamaica has not.

2789. You cannot give any reason for their not doing so?—The Governors of Jamaica have been inclined to hope that the population there would work upon the sugar estates, but they have been disappointed.

2790. The people there are very indolent?—Yes.

2791. They do not require to work much to keep soul and body together?—No, the ground is so very rich that they have only to scratch it and to gain a livelihood without any trouble.

2792. Do you think that might be remedied by importing coolies and Chinese?—Yes; Chinese and coolies are all anxious to earn money.

Mr. Thornhill.

2793. Do you make sugar in the West Indies cheaper than anywhere else?—I think on well-managed estates it is made cheaper than anywhere.

2794. They make it, I suppose, in East India and China as well?—Very large quantities.

2795. I suppose we should never get supplies from East India or China unless prices were higher than they are at present?—No.

2796. The short beetroot crop of 1876 caused a rise in the price of sugar, did it not?—Yes, a very large rise.

2797. Do you think that if it were not for various accidental circumstances, such as that falling

Mr. Thornhill—continued.

falling off in the root crop, the West Indies would be much nearer bankruptcy than they are at present?—If the West Indies had not had a very good year in 1877 they would have been much nearer.

2798. It gave them a lift for the time?—Yes.

2799. Do you suppose it was because we had a wet summer, without any sun, like the present one, that the beetroot crop failed in 1876?—Yes, it was.

2800. Then there is a chance that it might be so this year?—It was a dry summer and a wet autumn.

2801. Can you rely on competition between beetroot sugar growers in giving us a cheap supply if we have nothing else to fall back upon?—I think not. The failures in France made the price of sugar rise so enormously, other countries were too happy to take advantage of the price.

2802. Are you in favour of a uniform impost upon all bounty-fed sugar to ensure competition?—I think that is the only means, except excluding it altogether, which, on principle, I should prefer.

2803. You told us that fine sugar is dearer in France than it is in England at present?—Rather dearer.

2804. Is foreign sugar ever sent over to England marked as Cayenne sugar, foreign beet sugar; did you ever hear of an instance?—No.

2805. Did you ever hear of an instance of its pretending to be?—No.

Chairman.

2806. When you say that in France loaf sugar is dearer than it is here, you mean it is dearer excluding the duty?—Yes.

2807. Without calculating the duty, it is dearer?—Yes, rather.

Mr. Orr Ewing.

2808. You said that the amount of sugar said to be consumed in France was 260,000 tons, but in reality the quantity consumed was greater; in what way can you ascertain that fact?—I find that in 1868 M'Culloch estimated the consumption of France at 350,000 tons. It is not likely to be much less now.

2809. It is merely upon an assertion of M'Culloch that you make the statement?—No; France makes about 450,000 tons of beetroot sugar; it is stated here to be 425,000 tons, but it is always under-stated, I believe. She imports nearly 200,000 tons of cane sugar. Her consumption being only 260,000 tons, and her export being only 240,000 tons, leaves a large quantity of sugar to be accounted for.

2810. How would that be managed from the works?—I do not know.

2811. Are the Excise not very strict there, when they are paying such a high duty as 3*l.* a ton?—They estimate the yield of the sugar that comes into the refinery, they have a surplus over that yield, and they are able to dispose of that.

2812. I thought they disposed of it by exporting it?—Not the surplus; they export what they estimate the sugar to make.

2813. Am I to understand that the sugar that comes into France for consumption is not weighed when they pay the duty, and that they can send out a larger weight than they return as going out of the works?—Yes. When a refiner refines for 0.104.

Mr. Orr Ewing—continued.

export, he has to declare that he is so doing, I believe, and he is bound to export as much sugar as the sugar that he has taken in is estimated to yield, and then he gets a discharge at the rate of 75 francs per 100 kilo., and if he has made more he is at liberty to do what he likes with it.

2814. You think that this is another mode of the French refiner enriching himself?—Yes.

2815. And it makes him more able to send in sugar to compete with the industry in this country?—I think so.

Mr. Thornhill.

2816. I think you said that in Peru they grow sugar now?—Yes.

2817. Chiefly from slave labour?—It amounts to slave labour.

2818. They import Chinese?—Yes; and work them in chains very often.

2819. Any chance of an increase of sugar growing in Peru would be entirely dependent upon slavery, more or less being more developed in the country?—Yes.

Lord Frederick Cavendish.

2820. I understood you to state that from the year 1855 to 1872 the sugar planters have been doing well in the West Indies?—Fairly.

2821. Was there any other change in 1872 with regard to bounties, besides the increase of the French duties?—I do not think the Austrians came into play quite so soon, but very soon after.

2822. Do you consider the entire depression of the West India sugar interests due to the increased French duties in 1871?—I think the Austrians have had to do with it very materially.

2823. What time did the Austrian bounty come into play?—I am not prepared to say exactly. Mr. Lubbock has been looking into this question, and he will give you all the details about the bounties, particularly Austrian and Belgian, which have not been alluded to much.

2824. The French give no bounty on raw sugar?—I believe they do give a small bounty on the finest raw sugar.

2825. Do you consider the French bounty on refined sugar is one of the main causes of the depressed condition?—Yes.

2826. Is it not the case that most of the estates in the West Indies are owned by absentees?—Most of them, I think.

2827. Most of whom also, in addition to that, are largely in debt to their merchants?—Many are, no doubt.

2828. Is it not the case also, that the sugar industry is more of the nature of a manufacture than of farming?—It is.

2829. It is a manufacture?—It is a manufacture as well as farming.

2830. Do you think it possible that a manufacture can be conducted under favourable circumstances, when it is managed by an agent for an absentee proprietor, deeply in debt to his merchants to whom he sells his goods, and from whom he is to buy his supplies?—A planter if he is deeply in debt generally has to live upon his estate in the West Indies.

2831. The number of planters managing their own estates and properties is very limited, is it not; nearly all estates in the West Indies are managed by agents for absentees?—Not nearly all.

Q 4

2832. A very

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2832. A very large majority?—I suppose a large majority.

2833. Do you consider it possible that a manufacture so carried on, can compete on favourable terms with others?—The estates in the West Indies are very near England. A proprietor can get to his estates in a fortnight, and therefore I can hardly call them absentees.

2834. From your knowledge of the circumstances do you believe that many of the planters superintend or have any knowledge whatever of their estates?—I think so; a good many.

2835. Is it not the case, also, that most of the estates in Jamaica and the smaller islands and Barbadoes, are too small for the employment of the best machinery and plant?—Yes, they are, but they have generally resident proprietors, the small estates.

2836. Are there any number of estates in Jamaica, out of Trinidad and Demerara, of a sufficient scale to employ the best class of machinery?—In Jamaica there might be, but in the other islands the estates are generally small, except Barbadoes, Trinidad, and Demerara.

2837. In Barbadoes you have no machinery to compare with that which you see in Cuba, have you?—Oh yes. On an estate called Carrington's there is as fine machinery as you see anywhere.

2838. Nine-tenths of the sugar manufactured in Barbadoes is manufactured in a manner not to be compared with that which you see in Cuba, Demerara and Trinidad, is it not?—They manufacture sugar in Barbadoes better than in any island in the West Indies.

2839. Do you say the manufacture as well as the cultivation?—Yes.

2840. Is it not the case that in the French islands they very largely adopt the plan of manufacturing sugar in factories, the different estates sending canes to the central factory?—Yes.

2841. How is it that system has never been tried, with one exception, in our colonies?—Because it has not answered in the French islands.

2842. You believe it has not answered in the French islands; it has been very largely adopted in Martinique and Guadeloupe, has it not?—It has.

2843. You have reason to believe that it has not succeeded?—I read in Mr. Bodham Whetnam's book, "Roraima," just published, that out of the 13 *usines* in Martinique only six were paying.

2844. Are the estates beginning to manufacture sugar themselves instead of sending them to the *usines*?—I am not aware.

2845. As I understand, your suggestion is that the duty of 3 *l.* a ton should be levied on all sugar which receives a bounty?—Yes.

2846. Whatever the amount of that bounty?—Yes.

2847. And whatever the quality of the sugar, whether raw or refined?—Yes.

2848. I believe you consider that some bounty is given to all beetroot sugar?—Yes.

2849. And a duty of 3 *l.* a ton would practically be a prohibitive duty on raw sugar?—Raw beetroot sugar is almost refined.

2850. You believe with a duty of 3 *l.* a ton any beetroot sugar, except possibly the loaf sugar, could be imported into this country?—Yes, I do.

2851. With a duty of 3 *l.* a ton?—Yes.

Lord Frederick Cavendish—continued.

2852. At any rate you would impose this duty of 3 *l.*, totally regardless of the standard of the sugar?—Yes.

2853. And of the amount of bounty given to that sugar?—Yes, for simplicity.

2854. You do not believe that would make us solely dependent on cane sugar?—I do not think it would.

Mr. Collins.

2855. You said that you thought, under certain arrangements, the West Indies could supply a sufficiency of sugar for the whole world, in fact?—No, for the whole of Europe.

2856. About what is the value of sugar land, we will say, in Barbadoes, per acre?—At this moment it is very difficult to say.

2857. Taking an average, say, of 10 years, the value per acre of cane sugar-growing land?—£.100 an acre in Barbadoes.

2858. That would be the purchase price of the freehold?—Yes; there are a thousand people to each square mile in Barbadoes, and land is very valuable, or has been, at least.

2859. Can you tell about how much per acre of raw sugar is produced from sugar-cane in Barbadoes; about what weight per acre?—It varies very much.

2860. Take an average of the various sugar plantations?—In Barbadoes they always plant the canes, and they look upon two hogsheads as a fair return.

2861. That would be about how many cwt.?—Thirty-four cwt.

Mr. Bell.

2862. Each hogshead, or the two?—The two.

Mr. Collins.

2863. Thirty-four cwt. of sugar per acre?—As an average.

2864. In the manufacture of sugar from the cane, are there any disadvantages in the West Indies with which you are acquainted, as compared with the processes of manufacturing beetroot sugar in Europe; I mean any disadvantages as a mere article of manufacture?—It is very difficult in the West Indies to obtain skilled labour, scientific men.

2865. Is not labour the element of the greatest difficulty with which you have to contend in the West Indies?—Yes, not in Barbadoes, nor in Demerara or Trinidad, where we have emigrants.

2866. We will take it in the most favoured place, in Barbadoes, where there is an abundance of labour, are there any great difficulties to be met with in the manufacture resulting from the question of labour, that is to say, have you a difficulty in inducing labourers to continue their work at critical periods of manufacture?—Yes, there are some difficulties.

2867. In that way a considerable amount of loss at times results to the manufacture?—In most of the islands, not in Barbadoes.

2868. Does it often happen that in some of these processes a large quantity of sugar is altogether spoiled in the process of manufacture in consequence of the difficulty of dealing with labour?—No, I think not.

2869. Does it sometimes occur?—They would make this kind of sugar out of anything (*producing a sample*).

2870. I am afraid you do not understand the question

Mr. Collins—continued.

question. The question I first put was this, whether a certain amount of loss did not result from having to suspend the operations of manufacturing?—No, I think not in the manufacture; it is principally in cultivation that the labour question comes into play.

2871. But in manufacture not to any great extent?—No.

2872. Is it the fact that sometimes sugar spoils in manufacture from the difficulty of getting labourers to continue their work?—No, I think not; manufactures are always a popular employment for labourers; they always like the boiling house.

2873. Do you use steam or water power, we will say in Barbadoes?—Wind and steam.

2874. Is the question of coals a large item in the cost of manufacture?—Not very large in Barbadoes, but in Demerara most of the estates have what I may call a central factory on each estate, and there the coal is a very great item.

2875. Do you know about what quantity of coals is consumed on an average in the production of a ton of sugar?—It is very often a hogshead of coals to a hogshead of sugar; it is good management when it is less.

2876. That would not be very much?—No, but we use megass for burning as well as coal.

2877. There are no very serious obstacles, then, that you would refer to in the cost of manufacture of cane sugar in the West Indies as compared with the cost of manufacture, we will say, in France or in Ireland?—No, except the want of scientific men close at hand.

2878. Do not you get a considerable amount of skilled labour in the way of overseers from England to superintend the management of estates?—Yes, but I thought you were talking of the manufacture of the sugar.

2879. I ought to have said that. I ask whether it is the fact that you get a considerable amount of skilled labour in the way of overseers from this country to superintend the manufacture of sugar?—Yes, but the ordinary overseer is not a skilled scientific man.

2880. That is the only difficulty that you would point to?—Yes; if the scientific man whom you have out is ill you cannot replace him.

2881. If the cost of an acre of sugar-growing land in the West Indies is something like 100*l.* of freehold value?—It is only in Barbadoes.

2882. We will say in Barbadoes, and if the production from that acre is only about 30 cwt., is it likely that with high-priced lands such as that, and some of the difficulties of labour, our West Indian colonies will be able to compete successfully with beetroot sugar grown in European countries, setting aside the question of bounty?—The yield of beet is very much less per acre than the yield of sugar.

2883. One question on that subject: you may not be acquainted with it, it is not very material, but do you know what is the average production of beetroot per acre in France, or we will say Austria; what weight; I speak of the raw beet?—It varies from 15 to 20 tons. I think about 15 tons an acre.

2884. We will take Lower Canada: do you know the percentage the weight of sugar produced per ton of beetroot in Austria?—They get about 8 per cent. of sugar, and some molasses or rum besides.

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Mr. Collins—continued.

2885. It is divided over the three: sugar, molasses, and an inferior description of sugar?—Yes.

2886. That would be the gross produce?—Yes.

2887. With such a result as that, assuming that the production is 15 tons per acre, and that the result is 8 per cent., is it likely that we should be able to compete successfully with those countries, comparing the cost of land and the difficulties of manufacturing; the difficulties we touched upon; is it likely we shall be able to compete successfully with the Austrian beet?—The cost of land is *nil* in the West Indies, and therefore we ought to be able to compete.

2888. Lest there should be a misunderstanding on the subject, I took 100*l.* as the basis of value for an acre in Barbadoes. That does not apply everywhere?—No, I said Barbadoes was an exception.

2889. I should like to put it on record, that that would be an advantageous view You?—take the most advantageous position before the Committee that it is possible for a man to take.

2890. For the purpose to some extent of correcting possibly that view, what is about the average cost or value of cane-sugar growing land in the West Indies?—At the present moment you could buy an estate for the worth of the cattle, and the movables upon it.

2891. At an average value, what would it be about; we will assume on an average, if I went into the market to buy, we will say an estate, about how much per acre could I buy it at?—An estate well fitted up with all the appliances, and everything upon it per acre might sell in ordinary times—not the present—at from 25*l.* to 30*l.* an acre.

2892. With that cost do you think you could successfully compete with growers of beetroot sugar throughout Europe?—Yes; you get the whole plant complete.

Mr. Stewart.

2893. I think you gave us to understand that your experience has been with regard to the Island of Barbadoes, has it not?—Yes.

2894. And that it has special advantages over any other?—Yes.

2895. Can you tell us whether the output of sugar from your own estates has increased or decreased in the last 10 years?—They have not increased nor decreased.

2896. Have you a large quantity of land at present uncultivated, capable of producing sugar?—Yes, a large quantity in the West Indies, not in Barbadoes.

2897. In your own personal possession?—Yes.

2898. And you think that if the bounty on refined sugar at present given on exportation in France, were met by a countervailing duty, you would be able to bring a greater amount of land into cultivation, and send over a larger amount of sugar than you do at present?—Before the bounty existed we were increasing cultivation regularly, and the increase has now ceased. We were increasing gradually every year.

2899. You think that the countervailing duty would effect the purpose that you have in view?—I hope it would.

2900. That purpose is protection, shall we say, to the British interests?—No, not protection; it

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Mr. Stewart—continued.

is hardly free trade, unless we can ascertain the bounty exactly.

2901. You have given evidence that there is no bounty upon the raw beet exported from France, but there is from Austria; on that which is exported from France there is no bounty?—A little bounty. The French proposed to the English to alter the Convention of 1864, in order to admit this fine kind of sugar made in the beetroot manufactories as refined sugar; and they would not have done that unless there had been some little advantage in it. I believe it is only about four francs the 100 kilos., because it is derived from the getting the 75 francs instead of the 73 francs, or whatever it may be.

Chairman.

2902. If this white sugar is obtained from the beet under bond, and if the white sugar is exported to this country, it being taken out of the beet in bond, there is no drawback paid to the exporter, and therefore if there is no drawback there can be no bounty?—I think the alteration in the Convention allowed the refiner to get the 75 francs; to treat it as refined sugar, in point of fact.

2903. He gets nothing if he exports this sugar now; he gets no drawback, because it has been taken out of the raw beet in bond, and therefore he cannot make a claim upon the Government for any return duty, that sugar having been made in bond?—Why should they have made a request to alter the Convention?

2904. We know, as a matter of fact, that the Convention of 1864 was not carried out by France?—They pretended to carry it out, and they got it altered to admit this white-powdered sugar as refined.

2905. Into their refineries?—No; for export.

2906. What I understood was that this was a very fine class of sugar obtained from the beet in the beetroot factories, almost pure sugar; and that this was obtained by the French refiners at a duty, not on refined sugar, but at a duty of one of the classes of raw sugar; as a matter of fact, instead of yielding a certain per-centage, according to the class in which it was classed, it was really all pure sugar; and therefore by using this *poudres blanches* they obtained a very large bounty, because they obtained a pure sugar for a duty upon one of the classes of raw. The more *poudres blanches* they used the higher the bounty they obtained by exporting sugar made of *poudres blanches*; but that does not affect the question as between the sugar maker and the exporter; if the sugar is made and exported by the sugar maker he does not obtain any drawback, because he has never paid any duty; I fail to see how it is possible to obtain any bounty even upon that class of raw sugar?—I fancy that the refiners use almost entirely rather a coloured sugar, in order that it may be assessed at a lower yield.

2907. The *poudres blanches* come under the highest class of raw sugar; but the highest class of raw sugar did not contemplate pure sugar; and therefore they obtained pure sugar for a duty based upon a raw sugar; and they were enabled to make use of that in their refineries; and the more they used of it the larger the bounty they obtained; but if the sugar maker who produced this fine sugar in his factory exported it, he could not claim any drawback: he would not have

Chairman—continued.

paid any duty, it having been made in bond?—I recollect the circumstance very well of the French applying to our Government to allow this sugar to be exported as refined; and I always fancied there was a small advantage gained.

Mr. Stewart.

2908. Put it in this way: supposing there is no duty, no bounty upon raw sugar exported from France; then seeing that there is a large quantity imported into this country of beetroot from France, is that not a proof that to some extent, at all events, they are able to compete with the production of sugar in the West Indies, and that the mere withdrawal of the bounty upon refined would not necessarily put the West India interest in a better position?—Yes, it might be so, I think. No doubt refining in bond, and doing away with all bounties, would be the best thing.

Sir James McGarel-Hogg.

2909. You were asked some questions just now about estates in the West Indies being managed by agents; how many colonies can you speak for?—I know all the colonies, but I only know a certain number of estates.

2910. You know all the colonies?—Yes.

2911. Can you tell the Committee whether you have any knowledge about the visits of proprietors to their estates; is it not the fact that a great number of them here in England do go out and visit their estates?—A great number.

2912. In fact, all those who have any knowledge of sugar do go out?—Yes.

2913. Do you think it would be any benefit at all to the manufacture of sugar if those gentlemen who have had estates left to them, were without any knowledge of sugar, to go out and interfere with those who are better acquainted with it?—Certainly not.

2914. May I ask you whether you think estates, according to your knowledge, have suffered according to the management which exists at the present time, as regards the production of sugar; do they suffer from the absence of their respective owners?—In Demerara I consider that the resident proprietors have managed, on the whole, no better at all than the absentees in the production of sugar on those large estates.

2915. The production of sugar on the estates of those who are absentees is quite equal to that on the estates of those who are resident and looking after it themselves?—Yes.

2916. I think you said that, notwithstanding the increasing consumption of sugar throughout the world, the production of sugar from cane in the different estates you know of and in the colonies is at a standstill?—Yes.

2917. Is that caused by the bounties upon French and Austrian sugars?—I think entirely.

2918. From your knowledge, which I think is very great, of these matters, what do you think will be the result upon the West Indies if this bounty continues, regarding present prices of sugar?—I think they will be gradually ruined.

2919. Do you think the proprietors will continue their cultivation?—No.

2920. Will you tell us from your knowledge of sugar what will be the result to the consumers in England and elsewhere if that is the case?—A serious rise in the price of sugar.

2921. You think that those countries who are now

Sir James M^cGarel-Hogg—continued.

now giving bounties to their sugar producers will immediately when they have the game in their own hands raise the price, and the consumers all over the world will be at their mercy?—Immediately.

2922. Supposing that rise takes place can you give us an idea how long it would take to bring back any portion of the land into the state of cultivation in which it would have been if it had not been thrown out for two or three years on account of its being absolutely impossible to cultivate it?—I think it would take three years.

2923. Is it likely that any person would undertake that large responsibility and outlay?—No.

2924. Could you give us an idea, after an estate had been thrown out of cultivation and become absolutely a wilderness, how much it would take per acre to bring it back into the possibility of producing sugar?—The best answer I can give is to state that the ordinary cultivation expenses of a West Indian estate are in the islands from 8 £. to 10 £. per acre in canes, and in Demerara, about 14 £. to 15 £. an acre.

2925. In Demerara the reason is that they have Coolie people exported from China and the East Indies?—That is one reason. In Demerara they cannot use horses or carts. It is more expensive in Demerara in consequence of the nature of the soil and the nature of the country.

2926. You say it would take at least 10 £. or 12 £. per acre?—That is the ordinary cultivation. The expense to restore cultivation would be double.

2927. Can you give us any idea of the difference of sugar; we will take two samples of sugar, one beet and the other West Indies; is there a greater amount of saccharine matter in the West Indian than in the beet sugar?—I believe so.

2928. Has it been tested or is there any test for that?—The beetroot sugar is very pure, but it always has a very disagreeable smell until it has been thoroughly refined.

Mr. Norwood.

2929. The absentee owners of plantations of sugar have to employ a duly qualified manager to act in their place, have they not?—Yes.

2930. Those gentlemen are paid handsomely I presume?—They are paid well.

2931. Of course that increases by so much the cost of production?—You often see a resident proprietor with an equally highly paid agent or bailiff.

2932. In this country we will take a mercantile or a manufacturing establishment, if the proprietors of such an establishment did not understand their business and had to rely on the management of a third, salaried, party, your experience would lead you to imagine that the business would either not be so well managed or at a greater cost than if the proprietors attended to their own affairs?—Yes.

2933. You admit that?—Oh, yes.

2934. Your view I believe is this, that should the present system of permitting this bounty-fed beetroot sugar to enter this country continue, your West Indian produce will gradually diminish until it is extinguished?—Yes.

2935. In the year 1877 an anticipated shortcoming of the beetroot crop of 270,000 tons cause a rise in sugar all over the world, to the extent of 30 or 40 per cent.?—In Europe.

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Mr. Norwood—continued.

Mr. Hall.

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2936. Which really had a similar effect on the stocks on the other side that were brought to Europe; Europe is the governing market?—Yes.

2937. The price of Europe guides the price of sugar in other parts of the world?—Yes.

2938. Do you fancy that it would be possible for a tenth part of the West Indian supply of sugar to be withdrawn from consumption or production without immensely increasing the price of sugar?—It would very greatly increase the price of sugar if it were withdrawn.

2939. You talk about a period; suppose the production of West India sugar was to decrease a tenth in any one year, that would be as much as the amount of decrease which caused this immense advance in 1877, would not it?—No, not a tenth.

2940. What is the total production of the West Indies?—Including Cuba?

2941. Yes, and also America, and British Guiana?—It must be considerably over a million tons.

2942. Then I put it to you as a rule-of-three sum, if a deficiency of beetroot sugar in the year 1877 produced an advance in the value of sugar in Europe to the extent of 30 or 40 per cent., would not a similar reduction in the West Indies have the same effect?—Yes, it would.

2943. Do you still adhere to your statement that you see the possibility and probability of the cultivation of West Indian sugar going out of existence, owing to the continuance of the present system of bounties?—Yes, I do, because it goes out gradually; estates are being abandoned every month now.

2944. Then you look for a great advance in sugar next year?—No, not next year.

2945. Well, the year after?—The year after, perhaps.

2946. In point of fact, you think there is a good time coming, even for the West Indian planters?—No, because in six months an estate is almost grown up into bush if it is neglected.

2947. I understood you to say that estates are now daily (that is a figurative phrase) or continually going out of production, owing to the inability of the proprietor to compete with the beetroot sugar sent to England?—Yes.

2948. If that process is carried on to a sufficient point, will not there be a reaction upon the price at once?—Then the bounties would cease, in all probability.

2949. We are contemplating a continuance of the bounties; is it not the case that the price of sugar would advance, owing to the decrease in the production, whether the bounties were levied or not, and our West India interests, those who were able to hold on, would be deriving a famous profit, and there would be an active trade?—Those who had a long purse might eventually do so.

2950. Do you still adhere to your opinion that a continuance of the present system, by which we get beetroot sugar into this country, will finally exterminate the production of sugar in the West Indies?—The British West Indies, not Cuba.

2951. Do you adhere to that?—Yes.

2952. You say that if we did not produce another ton of sugar in the British estates there would be no material rise in price?—The estates would gradually go out.

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2953. Your

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Mr. Norwood—continued.

2953. Your argument is this: you say distinctly, continue the present system of importation of beetroot sugar under bounties on the other side, and our West India production must necessarily cease?—In time.

2954. We cannot live, under the present competition; we shall cease to grow sugar; there will be no sugar from the West Indies; the result will be that by-and-bye, when our estates in the West Indies are thrown out of gear and produce nothing, then the French, and others, will take advantage, and an enormous price will be realised by them; do you still maintain that position, having acknowledged that a certain deficiency in production would necessarily cause an advance of prices; have you not rather overstated your case?—No, I think not; the crop in Europe failed suddenly; this would be a gradual process.

2955. It only failed to the extent of 270,000 tons, which is only a fourth of your West Indian production?—Yes.

Sir James M'Garel-Hogg.

2956. In answer to my friend, Mr. Norwood, you said that in six months' time the whole of the estates would have grown into bush; you said, also, that 10*l.* an acre was what was necessary to bring it back again for the cultivation of sugar?—No, I said double.

2957. Surely 20*l.* would not be enough if an estate were grown into bush to bring it back again fit for the cultivation of sugar; is that possible?—I suppose not. I said 20*l.* an acre for three years.

2958. Then you go up to 60*l.*?—Yes, it would be a very gradual process in the three years.

2959. If the process my friend has asked you about took place, is it not a fact that the place of West India sugar would be entirely occupied by bounty-fed sugar?—It would.

Mr. Bell.

2960. There is a considerable difference, I suppose, between different estates as to the economical production of sugar, either from geographical conditions or from their fertility or management, is there not?—Yes.

2961. A very great difference?—Some difference.

2962. What difference would you suppose?—Some estates have a lighter soil to cultivate.

2963. That is the cause; what would be the result?—One estate is what you call a laborious estate and another is not.

2964. Supposing the cost of growing raw sugar in the West Indies were 20*l.* a ton on the worst estates, how much less than 20*l.* would it be on the best estates?—About 1*l.* more spent per acre would make the difference.

2965. How much a ton of sugar would that be?—That would be 10*s.* a ton.

2966. The carriage down to the port probably would also operate?—There are all those little differences.

2967. And bad management?—And bad management.

2968. It might happen, I suppose, that sugar on some estates would cost as much as 2*l.* or 3*l.* a ton more than sugar on the best estates?—Yes.

2969. And of course, in the event of such a catastrophe as that spoken of, it is the more ex-

Mr. Bell—continued.

pensive sugar estates which would be first driven out of cultivation?—Yes.

2970. And then that would leave the better placed estates in a better position to compete with the market?—Yes.

Chairman.

2971. When you spoke about wanting a 3*l.* duty, I suppose you would be equally well satisfied if arrangements could be made which would prevent a bounty?—Yes.

2972. You do not want a duty as a matter of protection for the West India growers?—Not at all.

2973. But in order to establish equality?—Free trade.

2974. I think you have stated that you have no hesitation in saying you would be able to compete in this market with any beetroot sugar which might be grown on the Continent?—I think so. We always used to do so before the bounty.

2975. Is it because the raw sugar comes here with a bounty that you find yourselves unable to compete with it?—Yes, the raw and refined.

2976. If the French sugar came here with or without a bounty, it would have to pay a considerable sum for carriage?—Yes.

2977. We are told something like 25*s.* a ton from Paris?—Yes.

2978. And, therefore, that would be an additional reason why you at least would find no difficulty whatever in competing with sugar from the Continent?—Yes.

2979. It has been stated that French raw sugar does not come here with a bounty, but, as a matter of fact, is not the price of the French raw sugar here regulated by the value of Austrian raw sugar here?—Yes, it is.

2980. Austrian raw sugar comes here with a bounty?—Yes.

2981. And therefore the effect upon the price of raw sugar from France here is the same as if it also came with a bounty?—Yes.

Mr. Alexander Brown.

2982. It lowers the price?—It lowers the price.

Chairman.

2983. It brings it down to the price of the bounty-fed raw sugar?—Yes.

2984. Something has been said about the possibility of your being unable to grow this cane sugar as cheaply as they grow beet sugar. I suppose the fact of the West Indies having continued to grow sugar so long to compete with bounty-fed sugar from the Continent shows that you are able to grow as cheaply, and perhaps more cheaply, than they can in France?—I think it does.

2985. Although you have not been able to grow this sugar advantageously, yet it may be presumed that you have been able to grow it without loss?—Yes.

2986. You have had to contend with what, in your opinion, amounts to a 3*l.* bounty?—Yes.

2987. Therefore, you have been able to carry on without a loss, even although you have had to contend with the 3*l.* bounty?—Yes.

2988. That would show that, on fair terms, there are no disadvantages which you labour under

Chairman—continued.

under in the West Indies, to prevent your growing sugar as cheaply as the beetroot sugar of the Continent?—Yes.

Lord Frederick Cavendish.

2989. Do you consider it as a 3*l.* bounty on raw sugar, or refined sugar?—Raw and refined.

Chairman.

2990. In speaking about the bounty as being 3*l.* a ton, do you take that as being about the minimum of bounty on raw and refined both?—Yes.

Lord Frederick Cavendish.

2991. You consider the bounty the same on refined as it is on raw?—No; it does not follow. The duty we propose is 3*l.* a ton on all sugar coming from Europe.

Chairman.

2992. What you stated was, that you would be satisfied with an all-round duty of 3*l.* a ton as a countervailing duty?—Yes, as a trial.

2993. Do you consider, from your calculations, that would about meet the bounty given on the Austrian raw sugar?—I think it is under the bounty given. I only mention 3*l.* a ton because Mr. Walpole states it, and I am quite willing to try it.

2994. Have you calculated what, in your opinion, is the bounty upon refined sugar?—I am afraid the bounty is even greater than 3*l.*; but still, as a minimum, 3*l.* a ton might be tried.

2995. To simplify the operation of the duty, you would be content with a 3*l.* duty all round?—Yes, because I think it would stop the bounties in all probability. The foreign countries would not care to give us so much money.

2996. It would not be with a view of obtaining this duty, but with a view of compelling foreign countries to manufacture and to refine sugar in bond?—Yes.

2997. Do you believe the effect of a countervailing duty of 3*l.* a ton would be, that foreign countries would refine and manufacture sugar in bond?—They would come into some arrangement for doing away with bounties, I think.

2998. Would it satisfy you if a convention were entered into among the principal sugar-producing countries of the world, undertaking to abolish bounties, and the convention to contain a penalty clause imposing a duty upon any produce from any country which continued to pay a bounty?—Yes, that is in accordance with the Convention of 1864.

2999. A convention similar to that would, in your opinion, meet the necessities of the case?—I think it would.

3000. Some questions were put to you by the honourable Member for Hull, with reference to the effect that would be produced by the cane sugar going out of cultivation; you stated, I think, that the effect of estates gradually going out of cultivation would be to produce a great advance in the price of sugar; does that necessarily follow, so long as the bounty continues; would not it probably simply lead to a larger importation into this country of bounty-fed beetroot sugar?—Yes, I think it might probably have that effect.

3001. So that you could conceive cane sugar plantations going out of cultivation gradually,
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Chairman—continued.

and yet not raising the price obtained by those who remained in the trade in the West Indies?

—Yes, I can imagine that state of things.

3002. You believe that when the object of paying these bounties is served, and the cane cultivation driven out altogether, then the bounties would cease, and the consumer would have to pay an enhanced price in consequence?—Yes.

3003. Because they would not have the cane sugar in competition?—Yes.

3004. And even although then it were to raise 30 per cent. the price of sugar here, you doubt very much whether money would again be invested in sugar plantations in the West Indies, they having their previous fate before their eyes?—I do; the uncertainty would be so great.

3005. And even if men could be found who were prepared to invest money in the growth of sugar, I understood you to say it would take at least three years before the estates could be brought into cultivation?—Yes.

3006. Is the land fit for anything else than sugar growing?—Yes. But there is no other crop, I think, that we could grow. Coffee is grown on the hills in Jamaica, and used to be very largely grown indeed, and cocoa in Trinidad. But in the other islands vegetables would be the only things grown, if canes went out.

3006*. Can coffee be grown on all the soil which is fit to produce sugar?—No.

3007. I think you have already stated that, in your opinion, the estates now under cultivation would go back into bush, if cane sugar ceased to be grown on them?—Yes.

3008. You regard this question as of very vital importance to the wellbeing of the West Indies?—I do.

3009. In your opinion, what would be the effect upon the sugar growers in the West Indies, if this Committee were to separate without any recommendation?—I think a vast number of the estates would be immediately thrown out of cultivation.

3010. May I take it that the sugar growers in the West Indies are looking with some anxiety to the results which will follow from this Committee?—The greatest anxiety.

3011. In your opinion, in the event of no efficacious result coming from this Committee that you think would lead to the ultimate enhancement of the price to the consumer, and many estates would immediately go out of cultivation?—Yes, I am quite sure of it.

Mr. Collins.

3012. You said, you and the West Indian Committee consider that, for the protection of the manufacture in the West Indies, there ought to be a protective duty imposed, of about 3*l.* a ton, on the import of sugar from Europe?—I do not consider imposing a duty is any protection at all.

3013. I thought you said it would be desirable, and that, in fact, the most efficacious remedy that presented itself to your mind, would be the imposition of a duty of about 3*l.* a ton on foreign-grown sugar, imported into this country?—From Europe?

3014. Yes; I ask this for information: assume that such a condition of things could be tolerated

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Mr. Collins—continued.

tolerated as the reimposition of a protective duty of 3*l.* a ton; provided there were an Excise duty upon sugars grown within the United Kingdom, would or would not the effect of that protection of 3*l.* a ton be to stimulate the production of sugar from beetroot to be grown in this country to a very considerable extent; 3*l.* a ton is a very large duty, for we have had it in evidence, and some of the witnesses went to the extent of saying, that even in the present state of things, with a very small protection, a 1*l.* protection sugar would be produced from beetroot extensively, in some parts of England, and also in Ireland; now with the imposition of a duty of 3*l.* a ton, do you believe that the cultivation of beetroot for the purpose of the production of sugar, would be likely to be stimulated?—I do not believe the duty of 3*l.* a ton would be any protection at all. It would be hardly an equivalent for the bounty, and I do not think it would stimulate beetroot production.

3015. In these countries?—I do not think it would. I am afraid not.

3016. You would take it that a 3*l.* duty in the way of protection would not be sufficient to promote the cultivation of beetroot for sugar manufacture in this country?—I do not think the impost of 3*l.* would be any protection at all.

3017. You would hardly describe the imposition of a countervailing duty of 3*l.* a ton, to countervail a bounty, as an encouragement in the

Mr. Collins—continued.

the way of protection?—Not at all in the way of protection.

3018. And as you have already stated, you do not desire the duty of 3*l.* a ton, except with a view to it being a penalty on the non-fulfilment of the Convention, with reference to the bounties?—Yes, and to re-establish free trade.

3019. Do not you think, that if the bounties were abolished, it might afford some encouragement to attempt the growth of beetroot, both in this country and in Ireland?—I think it would. It does not follow that 3*l.* a ton would do away with bounties altogether. If bounties are done away with altogether, I think beetroot might be tried, and perhaps would succeed in some parts of this country.

Mr. Thornhill.

3020. I think some of the sugar estates in Jamaica have been shut up for some years?—Yes.

3021. They grow pimento there, do they not?—No, not on the sugar estates.

3022. What do they grow there?—The pimento grows on the sides of the hills naturally.

3023. What do they do with the land?—Sometimes they turn it into pasture land.

3024. Do you know whether any sugar refineries in this country have been shut up in the last two years?—Yes.

3025. If they say in the "Times" that none have been shut up in the last two years it is not true?—No; it is not true.

Friday, 4th July 1879.

MEMBERS PRESENT:

Mr. Balfour.
Mr. Bell.
Mr. Alexander Brown.
Lord Frederick Cavendish.
Mr. Collins.
Mr. James Corry.
Mr. Courtney.
Mr. Orr Ewing.

Mr. Sampson Lloyd.
Mr. Morley.
Mr. Norwood.
Mr. Onslow.
Mr. Ritchie.
Mr. Stewart.
Mr. Thornhill.

C. T. RITCHIE, Esq., IN THE CHAIR.

Mr. NEVILLE LUBBOCK, called in ; and Examined.

Chairman.

3026. You are a Director of the Colonial Company?—I am.

3027. The Colonial Company are largely interested in estates in the West Indies?—They are.

3028. As merchants and as proprietors?—Yes, they have about 7,000 acres in British Guiana and upwards of 4,000 in Trinidad.

3029. What quantity of sugar does that produce?—About 15,000 tons annually.

3030. Seven thousand two hundred and eighteen in British Guiana and 4,287 in Trinidad?—Yes.

3031. Can you give us any estimate of the cost of cultivation?—It depends on whether it is muscovado or vacuum pan; you may take it roughly at 20 *l.* to 30 *l.* an acre all round.

3032. What is the production of an acre?—About a ton and a half, I think, would be a fair yield; I have given you rough figures. If we got a good crop it would be rather over a ton and a half; from a ton and a quarter to a ton and a half would be about it.

3033. When you say it costs that per acre all round, what is the meaning of the large difference between 20 *l.* and 30 *l.*?—Muscovado or vacuum pan production.

3034. There is more manipulation about the vacuum pan, is there?—Yes.

3035. Is what you call vacuum pan Demerara sugar?—The Demerara is mainly vacuum pan sugar; they also produce muscovado in Demerara.

3036. That vacuum pan sugar is sent over here fit for consumption?—Quite so. I can show you a sample of them (*producing same*). That is a very good sample of vacuum pan sugar.

Mr. Bell.

3037. Is that got direct from the juice?—It is.

Mr. Orr Ewing.

3038. What island is that from?—From British Guiana. It is what is called Demerara vacuum pan, Demerara crystallized.

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Chairman.

3039. What has been the length of your experience in the West India trade?—About 18 years.

3040. I believe you are also Deputy Chairman of the West India Committee?—I am.

3041. And, of course, you are able to speak about the general condition of the West India Colonies?—Yes.

3042. Have you been in the West Indies at all?—Yes, I have visited them four times.

3043. Of course, you have given a considerable amount of attention to the bounty system on the Continent?—I have.

3044. Have you any information to give us from your own knowledge as to the bounties?—I wish to call the attention of the Committee specially to the bounties in Belgium and Austria. I think the Committee has had pretty good evidence as to the probable amount of the bounties in Germany, Holland, and France; but I think they have not had any evidence about Belgium and Austria. Another reason for calling attention to the Belgian duties is that at one of the deputations of the West India Committee to Lord Carnarvon we stated that Belgium, in spite of several conventions, still continued to give bounties, and Baron Solvyns, the Belgian ambassador, took exception to our statement. I wish to satisfy the Committee that the statement was not made without foundation. I do not wish to weary the Committee with the details of the duties; they will all be found in a report of Sir Henry Barron's, published in the "*Commercial*," Number 17, 1879, page 27; and also Mr. Sandford's report, published in the recent Parliamentary reports. I think there is no number to them. From those reports it will be seen that the amount of bounty in Belgium depends upon the amount of the excedants, that is to say, the excess yield beyond the estimated yield, and the price at which the sugar going into consumption is sold. It appears that the average amount of duty received by the Belgian Government during the years 1875, 1876, and 1877 was 7,236,366 francs, and this sum divided by 511·3, which is the duty on refined sugar, would give

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Mr.
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Chairman—continued.

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14,152 tons as the amount of home consumption, and to these, of course, must be added the excedants to arrive at the real consumption; if, therefore, we had the real consumption, we could tell the amount of the excedants. The consumption in France, Germany, Holland, and Denmark ranges from 7·36 kilos. per head in Germany to 8·55 kilos. per head in Holland. We know, moreover, that in Germany and France the consumption given is rather below the real consumption, because in these countries there are excess yields also; but if we take the consumption in Belgium to about the average of those countries, say, 7·50 kilos. per head, 7·36 being the minimum and 8·55 the maximum of the countries I have mentioned, it would make a consumption of 39,750 tons; deducting 14,152 from that would leave an excedants of 25,500 tons; of course that is only an estimate; but I think it cannot be very far from the truth, because there is no reason to suppose that the consumption in Belgium would be appreciably less than in France, Holland, Denmark, and Germany per head.

3045. Of course, as a matter of fact, the system by which the yields are estimated, is the same in Belgium as it is in France?—Not exactly; in France it is followed up. May I mention that Sir Henry Barron gives the official consumption at 15,963. It does not work out so, taking the duty on refined sugar, but possibly there may be some reason for that. If you take his figures of 15,963, instead of 14,152, it somewhat reduces the excedants; it brings it down to 23,787, instead of the figure mentioned before. In Belgium, when the sugar goes into the clarifiers it is tested, and it is assumed that a certain amount of sugar will be got from it, and then nothing more is done. Whether more or less is got, they do not seem to follow it up, and they do not much care; but in France it is carefully followed up through all the stages; and if the juice really yields more than it is estimated at it is taken into account, but in Belgium that is not so.

3046. That would go to show that the bounty is less in France than it is in Belgium?—Yes, I think it is.

3047. Is the arrangement by which the yield is tested in Belgium not the arrangement of the Convention of 1864?—That I cannot say. I am under the impression that they have not carried out the Convention of 1864.

3048. It is upon colour in Belgium?—No, it is upon the juice. They take a certain quantity of juice, and they assume that that juice at a certain density will give a certain yield.

3049. In France the system now adopted is not precisely the system of the Convention of 1864; it is what is called optional saccharimetry is it not?—I believe so.

3050. That is, the original estimate is made by colour, and where it appears apparently that the colour is not the real indication of the yield, recourse is had to the saccharometer?—That is with regard to refining.

3050*. The sugar is manufactured in France in bond, is it not?—Yes.

3051. Refining is the only means by which a bounty can be obtained in France?—Yes, assuming that the bonded system is fairly carried out.

3052. As to this question of the bounty in

Chairman—continued.

Belgium, your opinion is, I presume from what you have been saying, that the bounty is obtained on the sugar that comes into consumption there?—Yes.

3053. And not upon export?—No.

3054. But in France and in Holland the bounty is obtained upon export?—Yes.

3055. You are aware that Belgium was allowed to occupy an exceptional position in the various conventions that have been agreed to, and the conferences?—Yes.

3056. You, speaking for the West India proprietors, who have, of course, an interest in putting an end to the bounties, acknowledge that the position of Belgium is such as to call for some exceptional measures with reference to her in any convention that may be arrived at?—Belgium proposed to reduce her duties considerably, and that, of course, very much alters the state of the case; that of itself would reduce the bounty.

3057. As a matter of fact, is it not the case that her refineries are very small ones, and very much scattered, and that there would be considerable difficulty in applying refining in bond to the refineries in Belgium?—The Belgians say so.

3058. You do not know?—I think they make more difficulty about it than it deserves.

3059. You would be quite willing in any future convention that Belgium should still be permitted to occupy the position she occupied in the convention last agreed to?—Quite so, on the basis that was proposed.

3060. Have you estimated how much per ton the bounty in Belgium amounts to?—That is very difficult to say; that depends upon the price they get from the consumers.

Mr. Courtney.

3061. Will you explain that?—If from large excess yields they compete with one another, and drive down the natural price of sugar in Belgium to that extent, that reduces the amount of bounty they get from the consumers. If you actually take the price at which they sell the sugar in Belgium, and deduct from that the Belgian duty, you will find the price comes out very nearly the same as the London price; but then, of course, the London price has been depreciated by all these bounties.

Chairman.

3062. The bounty, whatever it is in Belgium, is absorbed by the competition amongst the refiners in Belgium itself?—I think they get a large portion of it.

3063. The refiners?—Yes, the refiners and the sugar makers between them, in Belgium.

3064. I rather gathered that, in your opinion, the bounty went to reduce the price to the consumers?—Part of it does.

3065. But not altogether?—Not altogether.

Lord Frederick Cavendish.

3066. Can you form any estimate as to the sum which this bounty costs the Belgian State?—It does not cost the State anything, because the bounty is entirely paid by the consumers. The State taxes the consumers, and that goes strictly into the pockets of the refiners and the manufacturers.

3067. But

Mr. Orr Ewing.

3067. But they must lose revenue?—Yes, they do not get the tax the consumers pay.

Lord Frederick Cavendish.

3068. What is the loss of the yield of a tax owing to this bounty?—If you take 23,000 tons at 500 francs a ton, roughly that would give it. It is, really, 511.

3069. You consider that is the loss of the yield owing to this bounty?—Yes.

Chairman.

3070. Can you give us any information about the Austrian bounty?—With regard to the Austrian bounty I would refer the Committee to the recent Parliamentary Reports of Mr. Jerningham, page 5. There is rather a curious paragraph there, at the bottom of page 5. I do not quite know what he means, but it shows he evidently thinks there is a very large bounty got: "All the advantages appear to have been enjoyed at once by the manufacturers for the improvement in the culture of the beet, in the pressing of the juice, in the making of the machinery in use, crowded upon one another until the manufacturer was actually able to pay Excise duty on the weight only of the roots he employed, while his improved plant and machinery enabled him to produce twice as much sugar from the same weighed quantity, and reap actually 100 per cent. profit in addition to the full amount of his drawbacks." So that apparently Mr. Jerningham is under the impression that they not only receive a drawback, but 100 per cent. in addition.

3071. I take it that that paragraph means that the manufacturers endeavoured by every means they could possible bring into use to increase the yield, and they ultimately did obtain a yield twice as great as that which was estimated in assessing the duty?—Yes, I suppose that is what he means.

3072. That is confirmed from the fact that one year the amount of drawback paid by the Austrian Government exceeded the total amount of duty they received?—Yes; perhaps the Committee are aware that the duties in Austria are levied on an assumed quantity of work done by a factory; the factories are mainly what are called diffusion factories, and they use certain vessels for diffusing the juice from the roots; and, according to the size of those vessels, it is assumed they can work up a certain quantity of roots per day. In one of those papers you will find a most elaborate table showing how they calculate that. It appears that the manufacturers do work up a very much larger quantity than they are assumed to work up; the Government has from time to time tried to remedy that state of things by increasing the assumed amount of work that the factories do; in 1865, for instance, they assumed that a hectolitre of space would work up something like 200 kilos. of roots, and they now assume that they will work up 1,100, but it appears that the excess the fabricant is getting on the assumed rate of 1,100 is greater than it was on the rate of 200; I am informed that the Austrian Government are again going to raise their estimated yield from 1,100 to 1,800.

3073. From past experience I suppose you would be led to conclude that the mere fact of raising the yield would not necessarily have the effect of reducing the bounty?—No; so far the manufacturers have more largely increased the

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Chairman—continued.

actual yield, and they have gone on increasing the bounty as the Government increased the assumed yield.

3074. Every time it is raised it has a tendency to come nearer the maximum quantity that it is possible to produce?—Yes.

3075. And from that point of view it is kept in the direction of reducing bounties?—Until they have arrived at that point at which it is impossible for the manufacturers to increase the power of their works, you need not necessarily reduce the bounty at all.

3076. I take it that goes to show that no system based upon the existing arrangements will, in your opinion, abolish the bounties?—I do not think so. Of course, I think they went the wrong way to work; that what they ought to have done, instead of increasing the assumed yield, would have been to reduce the drawback. Had they done that they would have got to a point at which they would have reduced the bounty.

3077. Have not the Austrian Government adopted some system, perhaps not precisely of that nature, but in that direction, by making it compulsory to collect a certain amount of revenue?—Yes, they have saved the revenue in that way, but it does not appear that they reduced the bounty in that way. They do now make a revenue instead of a loss from their sugar duties. I may mention what the figures were from the crops of 1877-78 to show you how large these bounties have been. According to M. Jaquemart, whose pamphlet the Committee have seen, the crop of that season was estimated at 350,000 tons, and the export, which is official, was 165,000 tons, which would leave for the home consumption 185,000.

Mr. Alexander Brown.

3078. You are speaking of tons of raw sugar?—Yes. The amount of duty paid to the Government was 16,290,000 florins. Since the Government pays in cash the drawback of 91 florins or 118 florins, according to what is raw or refined, on every ton exported, it is evident that the price in Austria to consumers cannot be less than the London price, less the cost of carriage, plus the drawback paid by the Austrian Government. Taking an average drawback of 100 florins on 185,000 tons the consumption, the manufacturers must have received back from the consumers during that season 18½ millions of florins, which is actually more than the whole amount they paid to the Government, so that all the drawback they got from the Government, and something else besides, was the bounty; it is probable it amounted to 9 l. or 10 l. a ton for that year.

Chairman.

3079. Do you believe any system could be adopted in Austria which would have the effect of altogether abolishing the bounties, except the system which is adopted in France of manufacturing in bond?—Of course, if Austria were to reduce her duties, as Belgium proposes to do, to a very small amount, any amount of bounty would be reduced so much that it would not be of much importance; but I do not think there is any way of getting rid of bounties except by refining and manufacturing in bond.

3080. In your opinion there is no effectual means of stopping bounties except that of manufacturing and refining in bond?—Quite so. I quite agree with

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Mr. Lubbock.

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Mr.
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Chairman—continued.

with Mr. Martineau, that wherever you have a drawback, if it is a high one, you are sure to have a bounty. Of course, theoretically there ought not to be any bounty in a drawback, but practically there invariably is.

3081. What you have been saying with reference to the state of things in Austria has reference to that state of things which existed before the last alteration made by the Austrian Government?—Quite so.

3082. I suppose sufficient time has not yet elapsed to be able to express a very definite opinion upon what the real amount of the Austrian bounty is under the new arrangement?—I think it is impossible to tell what it will be without knowing what the consumption in Austria is, and that, of course, may vary from year to year.

3083. You are strongly of opinion that any arrangement such as that made by the Austrian Government will not have the effect of abolishing bounties, or of greatly reducing them, but simply of stimulating enterprise on the part of manufacturers?—Clearly.

3084. The experience hitherto of any steps taken by the Austrian Government goes to confirm that view?—Quite so. All their efforts to reduce the bounties have ended in increasing them.

3085. The present alteration is only in the same direction as the previous alterations?—With the exception of the minimum revenue.

3086. What, in your opinion, would be about the amount which would countervail the Austrian bounty on raw sugar?—Of course, if you were going to have a countervailing duty, the proper duty to put on would be a duty to the exact amount of the bounty; but I think you could produce the result desired by a considerably smaller duty than that. My own impression is that a countervailing duty of 3 *l.* a ton would be ample to prevent or neutralize the advantages which the producers are now getting. The bounty is to make up to them for the increased cost of production over other countries.

3087. Can you give us any figures to show what the production of beet sugar, as compared with cane sugar, has been in recent years?—Yes. I have here a statement of the production of beetroot sugar since the season 1867–68. The total beet crops of that season were 672,000 tons.

Mr. Orr Ewing.

3088. In what country?—In Europe: France, Belgium, Germany, Austria, and Russia. For the present season they are estimated at 1,465,000 tons.

Chairman.

3089. That is an estimate. What was the amount in the last season?—1,415,000 tons.

3090. That was 1877–78?—Yes.

3091. And now, in 1878–79, it is estimated at what?—1,465,000 tons. It will probably be rather more.

3092. Has that increase been gradual from 1867–68?—Yes. Shall I read you the figures. In 1870–71 the crop was 906,000 tons, in 1872–73 it was 1,129,000 tons, in 1874–75 it was 1,171,000 tons, in 1875–76 it was 1,368,000 tons. The following year was the deficient year when the crop fell off about 20 per cent. In that year

Chairman—continued.

it was only 1,095,000 tons. I will hand in these figures (*the figures were handed in*).

3093. I suppose from that we may gather that the growth is likely to increase under the bounty?—Clearly.

3094. There was a very serious rise in price in 1877 when the crop fell off slightly, was there not?—Yes. It is rather an important feature, showing how very much we are already dependent on the beetroot crop. In the year 1876 we were only receiving about something less than one-third of our total supply from beet, and still a deficiency of 20 per cent. in the beetroot crop sent prices up here one penny a pound. If we were dependent for the whole of our supply on beet, and there was a deficiency of that sort, prices would have gone up considerably more.

3095. Do you think we are dependent more on the seasons with reference to the growth of beet than with reference to the growth of cane?—It does appear that a bad season for beetroot seems to extend through all the beetroot countries. In that year the only country that showed any increase was Austria, where the area planted was considerably in excess. That tends to show that, what is a bad season in one country is a bad one in all. As regards the cane, that is distributed all over the world; and then as regards the West India crop, a bad season for one colony is not necessarily a bad season for the other colonies. We have recently had proof of that in British Guiana; we have had one of the worst seasons ever known, at least, within 30 years; and in the islands we have had very good crops.

3096. So that your opinion is, that if we were dependent altogether upon cane-grown sugar, we should not be so liable to failure in crop as we should be if we were dependent altogether upon beetroot sugar?—It certainly is very much less likely that there should be a general failure all over the world of cane sugar, than that there should be a failure in one particular spot, as may happen in the case of beet.

3097. You have given us the figures of the production of beet; can you give us the figures as to the production of cane?—The production of cane is much more difficult to get at, because it comes from so many more countries. I have here a statement that was drawn up by Messrs. Rueb and Ledeboer, of Rotterdam, in 1873, professing to give the production from all the different cane countries and the beetroot crops. Of course, I cannot answer for its accuracy, but I have no doubt it has been honestly drawn up. The Committee will see the difficulty in making it correctly. There is Java, Surinam, Cuba, Manilla, Porto Rico, Brazil, Mauritius, British India, Antilles, Jamaica, Barbadoes, Trinidad, British Guiana, Australia, Louisiana, Martinique, Guadaloupe, Réunion, Cayenne, and Egypt. Since this was drawn up, Peru has come in. In 1873, Peru had hardly begun.

Mr. Orr Ewing.

3098. The East Indies?—The East Indies are in here.

Mr. Bell.

3099. What is the weight?—How far back shall I go? It comes from 1853. In 1853, the total production was 1,276,000 tons from these countries. Beetroot was 200,000 tons.

3100. Can

Mr. Alexander Brown.

3100. Can you give it to us for the same years, 1867-68?—In the year 1857 the cane was 1,378,407. The following year it was 1,636,000. I suppose there was a failure in the Cuban crop that year. The secretary of the West India Committee has prepared a statement for me. In 1873 it is 1,840,986; that was the year the statement was drawn up, and only some of the crops were filled in. I have had the others filled in from time to time; I am only giving it for what it is worth; I do not think it is very far out.

Mr. Bell.

3101. 1,840,000?—Yes.

Mr. Orr Ewing.

3102. What is the beet in that year?—1,110,000.

Chairman.

3103. You are going to give us 1877-78 from information given you by the secretary to the Committee?—1,808,000.

3104. Will you repeat what it was in 1873?—1,840,000 tons; perhaps the Committee will take down these three years; perhaps the last year appears to be rather an unusually small one; in 1874 it was 1,710,000. From other sources the crops have been obtained in which they put 1874 and 1875 together, and they are put down as 2,012,000 tons.

Mr. Alexander Brown.

3105. Is that two years, or only one?—I think they are put down according to crops. The crops of the different places vary according to the times of the year. One statement will take one crop, and another another crop; if you take the series of years they probably give you a very fair idea of the crops.

Chairman.

3106. We have got from you what was the cane crop in 1867 and 1868, and we have also got the crop of 1873?—Yes.

3107. And 1874?—1,710,000, according to one statement; then in, you may call it, 1875, 2,012,000; in 1876, 1,833,800; in 1877, 1,918,000.

3108. That was the year in which there was the failure of the beetroot?—Yes; the high prices then brought a large quantity of sugar from India and China, which does not usually come; in 1878, 1,808,000.

3109. Those figures tend to show that the production of cane sugars has been about stationary?—Quite so.

3110. While the growth of beetroot has increased more than double?—Cane sugar appears to have increased up to about 1872, and since then it has remained stationary. I will hand this table in (*handing a Table to the Committee*).

Mr. Alexander Brown.

3111. From 1874 to 1878 there was an increase of 100,000?—1874 was a small year; there was a failure in the crop. If you take from 1872 to 1878 you will find that there was actually a diminution of 3,000 tons.

Chairman.

3112. The year 1874 has been compared with 1878; 1874 appeared to be an unusually small crop?—Yes, there was a failure in the Cuban crop.

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Chairman—continued.

3113. As a matter of fact, since 1875, taking 1875, the crop has decreased from 2,000,000 odd to 1,800,000?—Yes.

3114. You never spoke of 1875 as being a double crop?—No, you misunderstood me. These crops, which are taken from a different source, are called the crops of the years 1874 and 1875, of the season 1874 and 1875, and the succeeding crops are all made up in the same way; it is, really, only a twelvemonth's crop. It is not clear that it was within that particular 12 months.

3115. Going as far back as 1867 and 1868, the year in which you began to give us the beetroot production, it has practically remained stationary, or about 40,000 tons less in 1878 than in 1867 and 1868?—No, not as far as the cane goes.

3116. I think you gave us the figures of 1867 and 1868 as being 1,840,000 tons?—No, that was 1873.

3117. Then what was 1867 and 1868?—1868 was 1,636,000 tons, and 1867 was 1,378,000.

Mr. Orr Ewing.

3118. One thousand eight hundred and seventy-eight was 1,808,000?—Yes.

Chairman.

3119. Can you give us the similar figures with reference to the import into the United Kingdom; you had better give the same years?—I have got 1862 and then 1868.

Mr. Alexander Brown.

3120. In the estimate you have given, have you included the Peruvian crop and the Sandwich Islands?—The figure you have got is 1,808,000 for 1877-8, and in that Peru is taken for 63,000 tons, and the Sandwich Islands, Honolulu, 10,000.

Chairman.

3121. You are going to give us the figures for the United Kingdom?—The first one I have got is 1862; continental beetroot, raw and refined, 40,466 tons.

3122. Have not you got them separated?—Not the refined sugar.

Mr. Orr Ewing.

3123. You have not got the cane sugar imported into this country from all nations, have you?—Yes; I am going to give you that now. In 1862 foreign cane sugar, 219,756 tons, British cane sugar from Eastern Possessions, 56,950.

Chairman.

3124. Was that included in the larger item?—No, these are separate items. British cane sugar from the West Indies and British Guiana, 193,238 tons; total 510,410 tons. The next year I have is 1868. The continental beetroot, raw and refined, 80,039, foreign cane sugar, 281,357; this was mainly Cuban and slave-grown sugar. British cane sugar from the East Indies, 56,543; British West Indies and Guiana, 207,860; total 625,799 tons. It shows continuous increase. The next one I have is 1871. Continental beet, raw and refined, 232,850; foreign cane sugar, including slave-grown, 198,045; British cane sugar from the East Indies, 44,800; West Indies and Guiana, 213,114; total 688,812 tons. I have all the succeeding years; Shall I give them?

3125. You can put them all in?—I think if
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*Mr.
Lubbock.*

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Mr.
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Chairman—continued.

I give you 1876; it is an important year, because it is the year before the failure of the beetroot crop. Continental beet sugar, raw and refined, 281,000 tons; foreign cane sugar, including slave grown, 357,532; British cane sugar, Eastern Possessions, Africa, Honduras, and unenumerated countries, 72,495; British West Indies and Guiana, 208,865; total, 920,430 tons.

3126. So that the total is very much increased since 1871?—Yes.

3127. The great increase has been in foreign and slave-grown sugar?—Quite so.

Mr. Alexander Brown.

3128. Of course these are moist sugar as well as loaf sugar?—Yes; this includes all sorts; no doubt the great bulk is raw sugar.

Chairman.

3129. It includes sugar which comes from Demerara, and is sold without any further process?—Quite so.

3130. In 1876 and 1877 there was a failure of the beetroot crop; in 1877 the imports of beet, raw and refined, were 302,528; foreign cane sugar, 399,863; British cane sugar, including Eastern Possessions, Africa, Honduras, and other countries, 120,090; British West Indies and Guiana, 180,057; total, 1,002,538.

3131. That large increase you estimated as being owing to the increase of price, in consequence of the rise in the price of sugar, caused by the partial failure of beet crop?—Yes; it also, of course, includes the beetroot that we got in at the end of 1877, which was during the 1877-78 crop, which was a very good one.

3132. Was this increase caused by an increase in production, or simply by the high price bringing sugar from countries where it does not habitually come from?—Yes, that was the case.

3133. And where it has not come from since?—Where it has only fallen back to its ordinary proportions.

3134. Can you give us any of the later figures?—In 1878 the continental beet sugar was 342,938 tons; the foreign cane sugar was 314,956 tons; the British cane sugar, East Indian Possessions, 60,761; you see the falling off there, as compared with the preceding year; it fell from 120,000 to 60,000; the British West Indies and Guiana, 191,959; total, 910,614.

3135. So that that fell back lower than the year 1876?—Yes.

3136. Taking 1871 and 1878, and comparing them, we find that although the total quantity imported in 1878 was considerably larger than in 1871, the quantity imported from the British East and West Indies showed no increase?—I believe that is so.

3137. The quantity in 1871, from British East and West Indies, was 257,917 tons, was not it?—Yes; and in 1878 it was 252,720.

3138. So that the quantity from British East and West Indies in 1878 was less than in 1871?—Quite so; about the same thing.

3139. Do you consider this is at all owing to the fact of the large importation of bounty-fed sugar, beetroot sugar having depressed the prices of raw sugar below their natural level?—Undoubtedly.

3140. Have you got any figures to show us with reference to what the depression in the

Chairman—continued.

price was?—I have here the price of clayed Manilla, which I think is as fair a class of sugar to take as any. I have had them made up every year since 1858. I have got them here divided into periods of eight years. I have had an eight years' average made for every year. The eight years' average for the year ending 1865 was 23 s. 3 d. That is the lowest class of raw sugar. The average of the eight years ending 1879, was 19 s. 9½ d.; practically 19 s. 10 d.

3141. Showing a reduction, in fact, of about 3 s. 6 d. per hundred weight, or 3 l. 10 s. per ton?—Yes.

3142. In this market?—In this market; the London market.

3143. Was the price of beetroot sugar about the same price in the market during those years?—They would have been all selling together; they must have been on the same ratio of price.

3144. What do you mean by "ratio"?—Of course it is worth a different price, according to its quality; and beetroot of similar quality would have been worth the same price that cane sugar would have been.

3145. Taking beetroot and cane sugar of the same quality, they would fetch the same price?—Quite so. I should like to read to the Committee these averages. I think they are very interesting. Taking each successive year, and the average of the eight years ending with that year; in 1866 it was 23 s. 3 d.; in 1867 it was 22 s. 5 d.; in 1868 it was 21 s. 10½ d.; in 1869 it was 21 s. 4 d.; in 1870 it was 21 s. 3 d.; in 1871 it was 21 s. -½ d.; in 1872 it got up again to 21 s. 1½ d. It came down in 1873 to 20 s. 9½ d.; in 1874 to 20 s. 6½ d.; in 1875 it was 20 s. 6 d.; in 1876 it was 20 s. 2½ d.; in 1877 to 19 s. 11 d.; in 1878 to 20 s. -½ d.; in 1879 to 19 s. 10 d.

3146. Where is the large increase in price in consequence of the failure of the beet crop?—That mainly disappears in the average of eight years.

Mr. Orr Ewing.

3147. You have given individual years there?—Yes; but each year is the average price of the eight years ending with that year.

Mr. Courtney.

3148. That shows a continuous decline?—Yes.

Chairman.

3149. Can you give us the prices in 1876, 1877, and 1878?—In 1876 the price was 18 s. 7 d.; in 1877 it was 22 s. 4 d.

Mr. Thornhill.

3150. That was the year of the failure of the beet crop?—Yes. In 1878 it was 17 s. 7 d.

3151. In 1879 what is it?—1879 is not yet over. I can tell you what it is now. The price now is about 16 s. 6 d.

Chairman.

3152. Then the fall of late years has been very much more serious than anything that has taken place previously?—If we take 1871 or 1872, the price then was about 21 s. 1 d., and the fall since then has been from that to 19 s. 10 d.

3153. I understood you to say it was selling now for very much less than that?—Yes.

3154. What is the price to-day?—About 16 s. 6 d. I should think; it is perhaps not worth

Chairman—continued.

so much as that. That is the price in this circular which I have of 14th June, 16s. 6d. to 17s.; and the market has gone down since then.

3155. What do you attribute that great fall in price to?—To the large supply.

3156. Of what?—Of sugar, which is mainly beetroot sugar; now a very much larger proportion is beetroot sugar than used to be.

3157. Are you aware whether any preparations are being made for increasing the growth of beet root sugar on the Continent?—The best authorities say there is 15 per cent. more sown this year for the coming crop. I have here a chart of the price of sugar which might be interesting. It is for some years back, and it shows the fall of late years very well (*handing the same to the Committee*).

3158. Has this depreciation of price, which you speak of, materially affected the prosperity of the West Indies?—I think, undoubtedly, it has. The West Indies were getting on very well up to about 1872. We had had, previous to that, a severe struggle with the slave-grown sugar of Cuba; of course the equalising of the sugar duties in 1846 led to a great increase in the slave trade, and I believe it is calculated there were something like 800,000 slaves imported into Cuba from Africa subsequently to that Act. At length, after a great deal of expense, the English Government succeeded in putting down that slave trade from Africa, but even then the Cubans arranged to get 130,000 Chinese, of whom they made slaves, and of course that enabled them to keep up a very large production and to increase the production very largely. There is no doubt that slave labour in Cuba is very much cheaper than free labour as it exists in the West Indies. About the year 1872 this Chinese immigration was stopped; then an insurrection broke out in Cuba, and altogether they have been in a very bad way in Cuba the last few years, and it has checked their increase. Their crop has rather gone back of late years, so that in 1872 we naturally began to hope that we really had a good time coming at last; that we had seen the end of our great competitors. Unfortunately we found that we had a far worse competitor in the shape of this bounty-fed beet. One cannot see what the limit of that may be, because the bounty may be 2 l. or it may be 10 l. One cannot tell what one has to contend against. The cheapness produced by slave labour is limited, the cheapness produced by bounty may be unlimited; it is only limited by the length of the purse of the countries and governments giving them. Since 1872, instead of our having a better range of prices and doing better, we have gone down the hill very considerably. The prices of sugars have materially decreased.

3159. Having overcome the disadvantages of the competition of slave-grown sugar in 1872, being, as you thought, on the road to prosperity, once more you find that the bounty system is now being felt so much that it has sent you still quicker down the hill than you had been going before?—Quite so, and I think I may say that at the present prices of sugar, the sugar coming from the West Indies is not paying the cost of production. It is coming at a loss to the producers.

3160. The company to which you belong is a company composed of shareholders?—Quite so.

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Chairman—continued.

3161. I suppose you pay dividends when you can?—We used to.

3162. I suppose your dividends would give a pretty fair indication of the state of prosperity?—I find that from 1866 to 1871 we paid 8 per cent. on an average. In 1872 we paid 6 per cent.; in 1873 we paid 2½ per cent.; in 1874 we paid nothing; in 1875 we paid 1½ per cent.; in 1876, 1½ per cent.; in 1877, 5 per cent.; in 1878, 3½ per cent.

3163. One thousand eight hundred and seventy-seven being the year in which you got your highest price, in consequence of the failure of the beet crop?—Quite so. Then we had a very fine year; but knowing that these prices were not going to last, we naturally did not pay away all our profits.

3164. May I take it that the dividend of 1878 was in some measure paid out of the profits made in 1877?—Certainly.

3165. Has there been any dividend since then?—No.

3166. The time has not arrived?—No; I do not think there will be any dividend this year at present prices.

Mr. Bell.

3167. What is your capital?—£. 590,000 paid up capital.

Mr. Alexander Brown.

3168. Of course there are other things you import besides sugar?—Practically our business is entirely sugar; we have a little other business, but it is so small, comparatively speaking, that it need not be taken into consideration practically.

Chairman.

3169. Do you consider that you are at any disadvantage as compared with beetroot in the cost of production?—No, on the contrary, I think that we can grow sugar cheaper than they can naturally.

3170. The land, I suppose, is not of the same value?—Our land, except in Barbadoes, is worth nothing at all: sugar land in Demerara and Trinidad at present is worth nothing at all.

Mr. Orr Ewing.

3171. It has cost you something?—It has cost us a great deal. We calculate that to make a sugar estate, to make 1,000 hogsheads of vacuum-pan sugar, it will cost you 40,000 l. to 50,000 l. I think you might buy such an estate in Demerara for 20,000 l., and you would find it very difficult to sell such an estate for 20,000 l. at the present moment.

Chairman.

3172. You attribute that circumstance to the fact of the sugar industry not being a paying industry?—Quite so.

3173. You of course would not fear any competition with beet sugar grown under natural conditions?—No; I think that we could beat them out of the field. We could get a larger yield of sugar from our land per acre than they can, and we know that the cost of manufacturing cane juice is less than the cost of manufacturing beet juice. Cane juice is a much purer sugar solution than beetroot juice. Beetroot juice requires very expensive treatment.

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3174. So

Mr. Lubbock.

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Mr.
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Chairman—continued.

3174. So that on fair and even terms you would be quite prepared to compete with beet-grown sugar?—Quite.

3175. Have you considered at all whether beet can be grown with advantage in this country?—I do not think you could possibly have a better authority on that subject than Mr. Duncan. He has tried the thing practically, and he is as well acquainted with the sugar industry of the world as anybody I know, and he knows practically what it costs to grow beet. He is of opinion that it can. I know, some years ago, Mr. Caird used to talk to me about it, and he then expressed the opinion that it could; but I have no real experience of my own to speak from.

3176. How is it you think beet sugar could be grown here to compete with the foreign beet, when it cannot be grown now to compete with the cane?—Sugar grown here will have one advantage, it will be on the spot; a Frenchman has got to pay something like from 2½. to 3½. a ton, 2½. 10s. probably, to get his sugar from the beetroot factory into the London market. The English grower would have that advantage over him. I do not think it at all follows that because one country can grow sugar to pay, that that should prevent another from growing it. Sugar is grown in Java and the West Indies; it does not follow that because Java grows sugar we cannot grow it in the West Indies.

3177. Beet is not grown now?—No.

3178. You send in cane sugar, and you can compete with the foreign bounty-fed beet?—No, we cannot now compete with them; but we are still going on producing the sugar, because we are in hopes that something will be done to put an end to these bounties, and rather than sacrifice the very large amount of capital laid out in sugar estates, we will hang on as long as we can in hope of something turning up.

3179. In point of fact, you are not able to compete with the bounty-fed beet sugar?—Clearly not.

3180. You expect, of course, that if the bounty was not paid you would get rather a higher price for cane sugar?—Yes.

3181. You believe in that case beet sugar might be grown here profitably, although it cannot be grown now?—Quite so.

Mr. Sampson Lloyd.

3182. Has anybody ever tried the experiment of growing beet sugar in England?—Yes, Mr. Duncan has; but it has also been tried in Ireland, and it appears to a certain extent to have been grown successfully in Ireland. I have here a report of an Irish Beet Sugar Company, which says: "Your Directors have much pleasure in reporting the difficulties attending the introduction of a species of manufacture novel to Ireland were serious, and for a time discouraging, but after a very considerable amount of preliminary and experimental labour, those difficulties are being gradually removed; the importance to the country of encouraging an industrial enterprise promising such valuable results is becoming better appreciated, and although much yet remains to be accomplished, your directors feel that they can now confidently calculate upon conducting the undertaking to a satisfactory issue."

3183. What year is that?—1853.

Mr. Collins.

3184. What is the name of that company?—The Irish Beet Sugar Company.

3185. Is it in existence at present?—No, I believe not; the last paragraph says: "The annexed accounts give the financial position of your affairs. The balance of profit appearing to credit of the manufacturing account, even from the partial working of the past season, is so far satisfactory. Looking at the result thereby obtained, and considering the immense profits realised from beet sugar manufacture on the Continent, under circumstances certainly not more favourable than those under which this Company is placed, your directors feel that this undertaking possesses all the elements of success, and entertain a confident expectation that it will be made to yield an ample remunerative return upon the capital invested." Of course those expectations were not realised. I ought to mention, as regards Ireland, an elaborate report was made, I believe, at the wish of the Government, by Sir Robert Kane, as to the possibility of growing beetroot in Ireland, and he reported most favourably. Here is an extract from his report; he says: "I do not wish to announce any positive conclusions, but rather to direct attention to the estimates contained in Appendix C, all of which are derived from practical agriculturists, and all of which would indicate that the cultivation of the sugar beet would prove at least as profitable as other green crops usually are, provided that cultivation be carried on in a proper manner." I presume that he was qualified to give an opinion.

3186. In what year was that Report?—I think about 1852 or 1853.

Chairman.

3187. Have you any paper showing any tests of the saccharine matter in the beet grown in Ireland, as compared with the saccharine matter in beet grown elsewhere?—No, I have not.

3188. Sugar is the staple trade of the West Indies, is it not?—Yes.

3189. The population there are engaged almost exclusively in the growth of sugar?—In Demerara and in Barbadoes, certainly; in Trinidad they have other industries to a slight extent; they grow a certain amount of cocoa; but sugar is the main industry in Trinidad. In Jamaica there are some other industries; in the other smaller islands it is mainly sugar.

3190. A very large industrial population is dependent altogether on the sugar cultivation for work and wages?—Unquestionably; I think you may take it that there is more than one man for every hogshead of sugar produced.

3191. What would be the effect, as far as the population is concerned, if the cane sugar industry were to become practically extinguished; I suppose it would never be totally extinguished?—It would be a very serious thing, having something like 250,000 people thrown out of work.

3192. You have labour imported there, which, I believe, you are under some obligation to export again at certain times?—Yes.

3193. I suppose you have had to be at considerable expense in doing that?—The colony would have to do that. I do not quite know where they would get the money from to do it; they are now depending for carrying out all these arrangements upon the sugar industries, and, of course, if the sugar industry breaks down, it is difficult

Chairman—continued.

difficult to say where they would get their revenue from.

3194. May I take it that the revenue, the taxation, and the Government, are mainly depending on the sugar industry?—Certainly as regards Trinidad, Barbadoes, and Demerara, almost entirely.

3195. I suppose labour is really the principal element in the growth of sugar, is it not?—Yes, I think one may say that the value of sugar is entirely represented by labour. I have here made out a calculation as well as I can. Of course it is rather an estimate, assuming that a ton of sugar sells for 24 *l.*, where the money really goes to, and who gets it. About 16 *l.* 10 *s.* would represent labour in the colony, 1 *l.* 5 *s.* would be fuel, which, of course, you may say is labour in Scotland, because we get all our coal from Scotland; 2 *l.* would be manure, that is mainly artificial manure, ammonia, and super-phosphate of lime.

3196. Where do you get that from?—We buy that in England, it is all made in England; there is a certain amount of nitrate of soda which we get from Peru; then there is the cask 1 *l.*, that you may say is all labour; freight, 2 *l.*, and the landing charges and small charges 25 *s.*, that makes 24 *l.*; of course, in the case of the Muscavado sugar, it is somewhat less.

Mr. Sampson Lloyd.

3197. Where is the profit?—There is nothing there for profit, but besides sugar we make rum from the cane juice, and I think at 24 *l.* a ton we should get a small profit out of our rum. To the ton of sugar there would be about 50 gallons of rum, which at the present moment are worth about 3 *l.* 10 *s.*; off that you have to take the value of the cask, which is about 25 *s.* or 30 *s.*, or rather half that, 12 *s.* 6 *d.*, and the cost of making it.

Chairman.

3198. Where is the profit on the sugar which is selling at 16 *l.* 10 *s.*?—There is no profit on that.

3199. It cannot cost as much as that?—This 24 *l.* is vacuum-pan sugar, such as I have shown the Committee; that happens to be a very good sample, and that, I daresay, will sell for 30 *s.* to-day.

Mr. Morley.

3200. What is the coal?—Twenty-five shillings; about a ton of coal to a ton of sugar; it ought not to be so much; but coal is used for other things besides sugarmaking.

Chairman.

3201. Labour is really the main element in the cost of production?—Almost the entire element; freight is all labour, coal is all labour, the cask is all labour.

3202. If bounty-fed sugar supplants cane sugar, the effect is that the labour of British citizens is supplanted by foreign labour?—Quite so; roughly speaking, for every ton of foreign sugar sold here 20 *l.* is paid to foreign labour, and for every ton of British sugar sold here 20 *l.* is paid to British labour.

3203. Is there any other reason in your mind for the fall in the price, besides what you have told us; besides the bounties?—Of late years I do not think there is any reason. On the con-

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Chairman—continued.

trary, I think other causes would have tended rather to enhance the prices. Had sugar been left to natural causes, I think since 1872, since Cuba has ceased increasing its crop so largely, prices would have risen.

3204. And, of course, the consumption is very much increased?—Very considerably.

3205. What is now a failing and unprosperous industry ought, in the natural course of things, to have been a very prosperous one?—A most prosperous one.

3206. Is there any ground for any assertion that the best machinery and skill and sufficient capital have not been employed in the cultivation and manufacture of sugar?—I do not think there is the least ground to imagine that. It stands to reason that when capital can be profitably employed in any industry it always finds its way there. We certainly have not been behind other sugar growers. For instance, I find here a statement showing the importations of machinery into British Guiana since 1857, and they amount to 1,200,000 *l.*

3207. Is that British-made machinery?—I should think almost entirely.

3208. Is there any ground for supposing that the British-made machinery is inferior in any way to any other machinery?—No; I think there is reason to suppose, on the contrary, that it is superior. From the experience we have had of French machinery, we found it was very inferior to English; so much so that we had to replace a portion of it by English machinery.

3209. So that, in your opinion, it has been from no want of enterprise or capital that the sugar industry has not been a prosperous one, but simply because of the bounties on the beet sugar?—That is my opinion.

3210. And although you have continued to exist, it has been merely existence, and that is all?—Quite so; with the exception of the one lift that we got in consequence of the failure of the beetroot crop in 1876 and 1877.

3211. Do you think that the lift which you got in that year caused the quantity of land under cultivation to continue much about the same; do you believe if it had not been for the lift which you got in that year, there would have been a falling off in the production of cane sugar in consequence of its not paying?—I think there would have been a larger falling off. In spite of it, I think there has been a falling off. In our own experience we were connected with two small estates in Jamaica, and during the past five years those have both been abandoned.

3212. I suppose if you were to give up the cultivation of your estates it would be practically at the expense of almost all your capital?—Clearly.

3213. And I presume that you continue the cultivation in the expectation that something will be done to put a stop to the unjust position of things at the present time?—Quite so. We have been rather led, I think, to expect that something will be done. When we have been to the Colonial Minister to represent to him our grievance, Sir Michael Hicks Beach certainly shewed sympathy with us; and Lord Carnarvon before him even went so far as to authorise Mr. Pope Hennessy to allude to it in a speech opening the Legislature in Barbadoes; and, of course, naturally, the Barbadians think that anything coming from a governor who really represents

Mr.

Lubbock.

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Mr.
Lubbock.

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Chairman—continued.

the Government here (he is not appointed by them in any way) should carry some weight. He then said: "The unfair advantages enjoyed by the French sugar dealers in the English markets have not escaped the notice of Her Majesty's Government. The Earl of Carnarvon has earnestly represented to his colleagues the injury inflicted on the sugar growers in the West Indies by the Convention; and the Earl of Derby has not failed to press the question upon the attention of the Governments of France, Germany, Holland, and Belgium."

3214. Was that the Convention of 1864?—I think Mr. Pope Hennessy cannot very clearly have understood what the Convention was. He seems to think that the injury was inflicted by the Convention, and not by the bounties. It may have been a slip of the pen perhaps. "I am in communication with Lord Carnarvon on the subject, and I hope in a short time to lay some papers before you, and to congratulate the leading interests in this island on the successful negotiations of Her Majesty's Government." When we went to Sir Michael Hicks Beach, not very long ago, on this same question, he spoke rather strongly on the subject to us. This is what he said: "I must say for myself you have a substantial grievance; a grievance which ought, not merely in the interest of the West India Colonies, or of the sugar industry in this country, but in the interest of the country at large, to be met in some way or other. It does not seem to me, under present circumstances, that you have that fair play which ought to accompany free trade, though whether the precise remedy that you have suggested is the right one or not is not a matter I should wish to discuss now." The Colonial Office rather rely upon us to make out our own case, and I wanted to show that they had recognised that it is a fair grievance.

3215. I suppose the state of things at present existing is a state of things which altogether paralyses enterprise?—Yes, of course, that large rise in the price of sugar, two years ago, would naturally have been expected to stimulate sugar production, but we all knew perfectly well that it was purely temporary, and that the following year the beetroot crops would be as large as ever, and so we none of us extended our cultivation. All we try to do is to produce what we are producing as cheaply as possible. None of us would dream of extending our cultivation. If we thought the prices of last year would continue, we should try to increase.

3216. The uncertainty of things which has been in existence for some years, while all these negotiations have been going on, has had a very depressing effect on the colony?—No doubt; I imagine one may almost say nothing is so bad for an industry as uncertainty.

3217. If the cane sugar were to go out of cultivation, I need hardly ask you what, in your opinion, would be the result to the consumer?—Of course he would have to be dependent entirely on beetroot. The chances are that these bounties would, sooner or later, be done away with. Then he would have to pay whatever was the natural cost of the beetroot sugar, and that cost, I believe, is considerably above the free trade cost at which sugar can be produced throughout the world. But, besides that, he would be subject, I may say, every four or five years, to a failure in the beetroot crop, and

Chairman—continued.

if there were no cane sugar to fall back upon, prices would rise to an extraordinary point.

3218. As to the cost of introducing the growth of cane sugar, when it has once been left off, what, in your opinion, would be the cost of again bringing a sugar estate into cultivation, and how long would it be before it was brought into cultivation?—Of course, if sugar went out of cultivation for one year, there would not be much damage done to the machinery, and things could be started again, but I think if it went out of cultivation for five years in the West Indies, practically the machinery would be almost worthless, and you would have to treat an estate as abandoned land which had to be freshly put into sugar cultivation. I think it might be fairly estimated, that to take new land and make a sugar estate of it, would cost something like 40*l.* to 50*l.* a ton for every ton of sugar you produce. It would be rather more per acre. I am assuming you can get 1½ tons of sugar per acre.

3219. Do you think that, if the sugar estates were put gradually out of cultivation while that process was going on, the price of sugar would so rise as to make it remunerative for those who remained in it?—There is this great difficulty about sugar going out gradually; in some of the colonies of the West Indies, that as the production diminished the taxation would fall so very much more heavily upon those that remained, that I think if it once began appreciably to diminish, the diminution would be very rapid.

3220. Is it not the fact that the only effect of cane sugar going gradually out of cultivation would be the introduction of a larger quantity of beet-grown sugar with a bounty on it, and so prices might be kept at a low level?—Prices would only be kept at these low levels if there is a continuous increased beet supply, and that continuous increase would be making up any void that there was by a diminution of the cane supply.

3221. It is quite conceivable that cane sugar plantations might be going gradually out of cultivation, and yet that, in consequence of the increased introduction of beet sugar, the prices of raw sugar would not be any higher?—Quite so.

3222. I presume that would not hold good when all, or the great majority of the cane-sugar growing plantations had gone out of cultivation, because then, I presume, in your opinion, the bounty would probably cease to be paid?—I think so.

3223. Then what would be the loss to the consumer?—As I tried to explain before, people would, of course, only grow beetroot if they were getting a fair profit, and the price at which they could grow it without a bounty, and at a fair profit, is higher, decidedly, than the price at which we could grow cane sugar at a profit. The public would have to pay that price for it. In addition to that, they would be subject every few years to a failure of the beetroot crop, which would send prices up enormously for that year.

3224. In your opinion, if the cane sugar were driven out of the market altogether, the effect would be the ruin of the West India Islands without any ultimate advantage in price to the consumer in this country?—I think so.

3225. Taking Réunion, is not sugar there going out of cultivation?—The people of Réunion have been complaining for some years past. I see the other day the Governor made them a speech, the effect

Chairman—continued.

effect of which this paper, the "Journal Des Fabricants de Sucre," reports. They say his recommendation was that they should abandon sugar cultivation altogether. It is not very clear what he means. This is what he says, "La question capitale pour tous de l'utilisation du sol doit avant tout occuper votre attention. N'y a-t-il pas à rompre à cet égard avec certains errements du passé à changer de méthode et même d'objectif? sur ce point et sur nombre d'autres l'initiative vous appartient, elle n'appartient qu'à vous; mais souffrez que je vous conseille. J'ai l'expérience des Colonies, étant créole, et je m'intéresse trop à elles pour ne pas essayer de les faire sortir d'un statu quo qui mène à la ruine. L'expérience, la raison le souvenir d'un autre temps, tout vous invite à réagir contre l'envahissement funeste de la canne à sucre, et à diminuer la charge écrasante d'une œuvre et d'un outillage agricoles dont le maintien n'est pas conciliable avec l'état actuel de la propriété. Ne reculez pas, croyez-moi, devant des réformes qui deviendraient d'autant plus coûteuses que vous auriez tardé davantage à en reconnaître la nécessité. Avec quelque hardiesse (il en faut toujours), de la prudence, de l'économie le courage de voir attendre et perséverer vous mènerez à fin cette grande entreprise qui ouvrira de nouvelles sources de vigueur et d'activité pour le pays." Then the newspaper says, "Cette grande entreprise à laquelle il est fait allusion dans le discours de M. le Gouverneur de la Réunion c'est l'abandon de la culture de la canne et son remplacement par d'autres cultures."

3226. We were speaking of the consumer; do you think the consumer obtains now the whole of the bounty on sugar?—No, I think it is clear that he cannot do so.

3227. Why?—Because, in my opinion, in the first place, part of the bounty has to go to recoup the grower for the extra cost of his manufacture beyond what it would cost us to manufacture. Supposing we could grow a ton of sugar for 20 l., and the foreigner can only grow it for 21 l., he must get that 1 l. back from the bounty before he is in a position to sell his sugar here at 20 l.

3228. If the sugar manufacturer on the Continent gets a portion of the bounty, how is it he is so anxious to have it abolished altogether?—I do not think the fabricants in Europe are anxious to have the bounty abolished; in France they are, because in France the fabricant gets a very small share of the bounty, and the amount of bounty they are now receiving in France is not sufficient to enable them to compete with Austria. Austria is giving a far larger bounty than France.

3229. The Austrian bounty is extinguishing the French production?—Yes, at any rate it is checking it as far as I can see from reading the French newspapers. The French fabricants and refiners are now endeavouring to obtain exactly what we are endeavouring to obtain, that is to say, to get the whole of the sugar trade of Europe put upon a fair free trade footing, so that there should be no advantage of bounty to one country over another.

3230. Is the United Kingdom the only market for the West India sugar?—Practically it is. At times we have a certain market in the United States. We now have a small market in Canada. The quantity consumed there is not large. Speaking in a general way the United Kingdom is the only market that we have.

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Chairman—continued.

3231. That does not hold good with reference to the Mauritius, for instance, does it?—No, the Mauritius sends nearly two-thirds of its sugar to India or Australia, and therefore they are only dependent on the home market for one-third of their crop.

Mr. Courtney.

3232. What do you mean by "now," with reference to Canada?—Since they have altered their system of duties.

3233. Since this last tariff?—Yes.

3234. Has it already begun to be felt?—Very considerably in the West Indies; the exports of sugar from the West Indies to Canada seemed to have entirely ceased, and there has been a very large trade sprung up again since they altered the tariff.

3235. Within the last two months?—Within the last three months.

Chairman.

3236. Is the raw sugar made from beet better adapted to refiners than that made from cane?—Will you explain what you mean by "better adapted"?

3237. Does it require more manipulation?—I might put it perhaps best in this way; if you want to arrive at the rough comparative value of cane and beetroot, assuming that a sample of cane sugar and a sample of beetroot sugar contained, by analysis, the same quantity of crystallisable sugar, and that that is not 100 (because if they contain pure sugar one is as good as the other), but that they both contained, say, 95 per cent. In the case of the beetroot, very much less sugar can be obtained by the refiner than from cane sugar of a similar analysis. Here is a sample of Belgian beet (*producing the same*); that sample contains of crystallisable sugar 92.70, but the refiner, according to the ordinary ways of calculating, could only get 79.40 of that crystallisable sugar; he would really get rather more.

Mr. Stewart.

3238. Is that raw beet?—Yes, that is Austrian; that is rather better (*producing another sample*).

Chairman.

3239. This is after it has been refined?—No, this is raw sugar. This contains 94.90 of crystallisable sugar, and the refiner would get 88.45 out of it. Here is a sample of cane sugar (*producing the same*). The Austrian sugar is what is commonly known as 88 per cent. sugar. Then the sample of cane sugar contained 97.30 of crystallisable sugar, and that would yield 95.10.

3240. May I take it generally that less crystallisable sugar can be extracted from raw beet than from cane of similar polarisation?—Quite so.

3241. Raw sugar polarising 93 to 96 per cent., more crystallisable sugar is obtained from cane than from beet?—Quite so.

3242. Did you ever send sugar from the West Indies to any other part of the United Kingdom than this portion of it; did you ever send any to Ireland?—Yes, some years ago we used to do so; there used to be a refinery there, but I understand it is closed now.

3243. What part of Ireland?—In Dublin.

3244. A loaf sugar refinery?—That I cannot say; Messrs. Bewlay I think the name was.

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Mr.
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Chairman—continued.

3245. Can you give us any information upon the subject of the bounty in the United States?—I do not agree with Mr. Duncan about that; I do not think that the refiner in the United States gets a bounty necessarily because he uses Louisiana sugar; of course the price of Louisiana sugar in the United States just rules with the price of other sugars. The refiner who buys the sugar does not care where it is made, whether in Louisiana or Timbuctoo; but he buys it according to its quality.

3246. Is it the grower who gets the duty?—The grower gets the duty and not the Government; it is just the same to the American refiner whether he refines Louisiana sugar or Cuba sugar.

3247. Is it your opinion that there is no bounty paid on the export of refined sugar from America?—I see that a certain quantity of American sugar is coming here, and I am sure it would not be coming here unless they were getting a bounty. I do not think they get that bounty through the fair operation of the American laws. I think the American drawback is very fairly estimated. I have very little doubt that that is done by means of fraud.

3248. You say you are satisfied that it cannot be sent here without a bounty; why are you satisfied of that?—When the question was in my mind, some little time ago, of a large American bounty, I looked into the question of drawback; and the drawback then was considerably reduced by the American Government. The figure to which it was reduced appeared to me then to be a fair one; therefore I am surprised now to see American sugar coming over here.

Mr. Alexander Brown.

3249. First of all, as I understand, the Americans gave a drawback; they looked into it at Washington, and they reduced the drawback; what date was that?—I think it must have been in 1877.

Chairman.

3250. I take it it is your opinion the American Government are sincerely desirous of putting a stop to bounties?—Clearly I think they showed their intention of doing it. When their attention was called to it they tried to stop the bounties, and also the frauds, and I think they would do so again if they found anything of the sort going on.

3251. Have you seen the report from Washington upon this subject of the bounties in the United States in this Parliamentary Paper from Mr. Drummond?—No doubt I did at the time; but I have not looked at it recently.

3252. It has only been recently presented?—Then I have not.

3253. You quoted a report of Mr. Jerningham's?—I am afraid I did not read through the whole paper.

3254. You agree generally with Mr. Drummond, that the United States are desirous of taking steps to prevent any bounty?—I think they have no intention or wish to give bounties in any way, and that they will do anything necessary to prevent it.

3255. Will you give us your opinion as to what remedy this country has on this vexed question of bounty; you are aware of course of the various negotiations that have taken place, that the present Government and past Government

Chairman—continued.

have done all in their power by negotiation to put a stop to these bounties, and that so far they have failed?—Yes.

3256. Are you prepared to recommend that what the Government have been unable to do by negotiation they should attempt to do by other means?—Of course by far the best remedy would be to get these Governments themselves to take off the bounties, and every effort in the way of negotiation has been made to make them do so but without any effect. One great difficulty appears to be that if one country takes off these bounties it is immediately swamped by the others who continue. So that it would be hopeless to expect any one country to take off these bounties unless some arrangement was come to by which they would all do so simultaneously. It does not appear at all probable that negotiation will bring that about. Of course, if foreign countries will not take off their own bounties, a very simple thing to do is to take them off for them, and collect them as the sugar arrives here. The effect of that would be that the country will derive all the benefit from the bounty, and the trade would not be harassed and destroyed by them.

3257. If the sugar continued to come in, the countervailing duty would simply collect the bounty and distribute it amongst the general body of the public?—Quite so.

3258. Do I understand that what you propose is, that the Government should at once put on a countervailing duty?—I think that would be the best course. I think they should at once put on a countervailing duty, and then invite all the different Powers to a Convention. If they put on the countervailing duty, those Powers would be ready enough to make a Convention.

3259. Do not you think that if a conference were held before taking that step, foreign countries might perhaps agree to a Convention somewhat similar to the one which was lately agreed upon; only with some stringent clauses providing for a countervailing duty against any country that continued to give bounties?—I think they would; but I think it will probably take longer to get them to agree to it, and there may be a great deal of difficulty in getting them to agree to it. I have really little doubt that if a countervailing duty were at once put on the whole of them would be ready enough to come into an international arrangement. I am afraid if you only made a Convention with France, Holland, and Belgium, and offered it to Germany and Austria, they would not come in in the first instance.

3260. Surely if a countervailing duty were put on against these countries that did not come in, there would be no longer any object in those countries paying the bounty, because their sugar would not obtain admission?—I think the effect would probably be, that they would wait and see that the countervailing duty was put on before they agreed to come in. If you put it on at once they would all come in at once; I think it would save time.

3261. As to whether it should be put on before or after, you believe a countervailing duty would have the effect of stopping bounties?—Quite so.

3262. But that, in point of fact, the countervailing duty would not require to be collected, because

Chairman—continued.

because it would have the effect of making the countries who at present give the bounties, take off the bounties themselves?—No doubt they would all take off the bounties, rather than be subject to a countervailing duty. There would be no longer any use in a bounty; they would see that it would only be taxing their own people to put money into the pocket of England.

3263. As a matter of fact, if a countervailing duty could be put on, to be exactly equivalent to the bounty, it would not at all prevent that free and open competition, which on free-trade principles this country advocates, would it?—Clearly it would restore that free trade.

3264. If you put on a countervailing duty, exactly equivalent to the bounty, these countries who are now giving bounty would be on quite as good a platform as we ourselves are?—Exactly; they would be all on an equal footing then.

3265. If we had any natural advantages, we should obtain the benefit, if they had any, they would obtain the benefit?—Yes.

3266. At present our natural advantages are extinguished by the action of a foreign Government?—Quite so.

3267. Therefore, practically, a foreign Government, by adopting that system, would have the success or non-success of any industry in the land entirely in their own hands?—Quite so; any industry in this country of course is at the mercy of a foreign Government.

3268. Do you think that the countervailing duty would be any departure from principles already sanctioned in this country?—On the contrary, I think it is carrying them out; I think allowing a trade to be destroyed by foreign bounty is departing from free-trade principles.

3269. Has not the principle itself been recognised in the 1864 Convention?—Certainly.

3270. Have you got the 1864 Convention before you?—I am afraid I have not. If I remember right, it bound the different parties to the Convention, in the event of bounties being given by countries other than the countries parties to the Convention, to meet together to agree as to the amount of surtax that was to be put.

3271. I will read the Article: "The high contracting powers reserve to themselves to agree as to the steps to be taken for obtaining adhesion of the Governments of other countries to the arrangements of the present Convention. In the event of bounties being granted in the said countries, on the exportation of refined sugars, the high contracting parties will be at liberty to come to an understanding as to the surtax to be imposed on the importation of refined sugars of and from the said countries"; do you understand by that, that this Article provides that there shall be an understanding as to whether a surtax shall be imposed, or simply as to the amount of the surtax?—I certainly always understood it to mean as to the amount of the surtax.

3272. "As to the surtax to be imposed"?—Surely if that clause has any meaning, it means that a surtax shall be imposed.

3273. Does it not imply that there shall be a surtax?—I think so. I do not see that it implies anything else.

3274. And that Convention was agreed to by this country?—Yes. Now you are on that Convention, may I call your attention to what Mr.

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Chairman—continued

Gladstone said about it, in introducing it to the House of Commons, because I think the object Mr. Gladstone had in view, in agreeing to that Convention, is exactly the object we are all now trying to secure.

3275. Was not Mr. Gladstone in office when that Convention was agreed to?—He was, I think, Chancellor of the Exchequer then. This is what he said: "In June 1866, being then Chancellor of the Exchequer, in a debate on the sugar duties, Mr. Gladstone referred to the Sugar Convention of 1864 as follows: About that time (1862) a communication came from the French Government to that of England, representing that, without interfering at all with the liberty of each State, to levy from sugar, for fiscal purposes, whatever amount of tax it might think fit, it was very desirable to remove every artificial inducement, by which sugar was led to one country rather than another, and that it would also be most desirable to combine with the system regulating imports a reconsideration of the drawbacks upon exports; so that with regard to imports, from countries where refining has taken place, there would be a perfect freedom of trade, in the absence of these peculiar inducements. Her Majesty's Government could not but perceive that that would be a beneficial arrangement, beneficial alike to the importers, the refiners, and the consumers. They, therefore, entered very freely and cheerfully into the views of the French Government. A Conference was accordingly assembled, comprising representatives of England, France, Belgium, and Holland, and after investigating the whole subject they came to the conclusion that certain things ought to be done at once with respect to a modification either of duty or drawback. The provisional arrangements thus suggested were all of a character tending to equal trade. Her Majesty's Government, therefore, cheerfully concurred in them, and proposed to Parliament measures which were necessary to give effect to the views of these international representatives at that stage. * * * There could be no doubt, he apprehended, that Her Majesty's Government were right in entering into the joint Conference, because to destroy the barriers which now interposed between different countries in this way was a matter of great importance."

3276. And a surtax, as contemplated by that Convention, on sugar coming from countries that paid a bounty, a surtax equivalent to the bounty, would exactly have carried out the views expressed in the speech of Mr. Gladstone?—Yes.

Mr. Onslow.

3277. Why was not Austria asked to join in the Conference?—Because it was not known that it was giving bounties; there was no export at the time this way. In that Convention nothing is said about bounties on raw sugar. It was not known at that time, and I do not know that it was the case that any bounties were being given upon raw sugar.

Chairman.

3278. In point of fact was the conference not called together for the purpose of preventing bounties being paid on the export of refined sugar?—Yes.

3279. The question of bounties upon raw sugar was not contemplated at that time?—Quite so.

3280. At

Mr. Lubbock.

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Chairman—continued.

3280. At the same time I suppose you do not think that under the existing state of things, with the large exportation of bounty-fed raw sugar from Austria, all the sugar producing countries would come under a convention that did not also embrace bounty fed raw sugar?—I think that M. Say, for instance, has distinctly stated that if France is to be expected to do away with her bounties some arrangement must be come to whereby the Austrian bounties would be done away with, and it would be only fair to France; France does away with her bounties, and Austrian bounties remain, France will be driven out of the market.

3281. In any further conference that should be called together on the matter, would it be necessary, in your opinion, that Austria should be invited?—Clearly, and I think Germany also, because Germany gives a bounty too.

3282. Then they should have the opportunity of entering into any convention which might be agreed upon at that Conference?—Certainly; they should be put on the same footing.

3283. In the event of any country failing to undertake to abolish bounties it would be perfectly justifiable to put on a countervailing duty equivalent to their bounties?—Quite so; it is hopeless to get any agreement except upon that basis.

3284. Would you, as a sugar grower, and representing the West India Committee, be satisfied with a convention entered into between the principal sugar producing countries to abolish their bounties, provided there was a clause in it binding all the signatories to the convention to put on a countervailing duty against bounty-fed sugar from any other countries?—Quite so.

3285. That, in your opinion, would be a satisfactory solution of the question?—Quite so. I should like specially to draw the attention of the Committee to the report that Mr. Walpole made upon that subject. Mr. Walpole, of course, has had a great deal to do with all the negotiations that have taken place, and I think there is nobody better qualified than he to express an opinion as to whether there is any chance of negotiations, having for their object the removal of bounties, succeeding or not. Mr. Walpole, in that report, I think it is in the "Commercial," number 17, page 7, says: "From the foregoing retrospect of international negotiations, it would appear to be hopeless to expect any settlement of this question so long as the abolition of bounties depends upon the co-operation of foreign Governments." That, after all this negotiation, is Mr. Walpole's opinion with regard to negotiation.

Lord Frederick Cavendish.

3286. What date is that?—3rd August, 1878.

Chairman.

3287. Suppose this Committee were to separate without making any recommendation, or without recommending some change, what, in your opinion, would be the effect on the West Indies?—Well, I am rather inclined to think that there would be an agitation for annexation to the United States, because there is no doubt that if the West Indies were colonies of the United States the sugar industry would be in a very different position to what it is in now, and therefore if a matter of this sort is looked at

Chairman—continued.

merely from a pocket point of view, there is no doubt that the West Indies have every inducement to become an American colony rather than an English one.

3288. The prosperity of the West Indian Islands, of course, is entirely dependent upon our Government?—Entirely; they are unable to make treaties.

3289. The same as Australia, for instance, they can make no treaties?—Australia can, and Canada can, but the West-Indies cannot.

3290. Their prosperity is entirely dependent upon Great Britain?—Yes.

3291. I presume they would look upon legislation which had the effect of favouring foreign notions at their expense as unjust to their interests?—They do think so.

Mr. Courtney.

3292. You said Canada could make a treaty; that is an error, is it not?—I was under that impression.

3293. Negotiations may be begun between the Canadian Government and the United States Government, but the treaty must be made with the representatives of this country?—Canada has the power of arranging its own duties.

3294. So has Australia?—The West Indies, I think, practically have not that power. For instance, we could not make any arrangement with the United States to give them any advantages which we not give to other countries.

3295. I think you would be in the same position as Canada; it depends upon whether differential duties would be approved and sanctioned by the Home Government; you will perhaps remember that instructions were given to the Canadian Government before Lord Lorne went out; he was expressly warned that differential duties would not be sanctioned here; that warning was dropped; but still it rests with the Queen to advise whether they should or should not be sanctioned?—Then you are under the impression that the West Indies have the power.

3296. Where there is a free Legislature as in Barbadoes, subject of course to the question of disallowance here?—A Crown colony, I think, makes a difference.

Mr. Alexander Brown.

3297. Are they Crown colonies?—Some are and some are not. Barbadoes is not a Crown colony; Trinidad and Jamaica are. I believe some years ago there was an effort made by the Barbadians to make a treaty with Canada which would have given them mutual advantages, and it was not allowed.

Chairman.

3298. Do you think if it were necessary to impose any countervailing duty, there would practically be any difficulty in the way of doing it?—I do not think there would. The countervailing duty would be a much less complicated thing than the old scale of duties.

3299. It has been suggested that there might be considerable difficulty in ascertaining the origin of the sugar?—I do not see why there should be any difficulty at all about it; there is no difficulty in ascertaining the origin of rum, for instance.

3300. Is there a differential duty on rum?—Yes.

3301. In

Chairman—continued.

3301. In what way?—Take, for instance, the case of Surinam rum. If Surinam rum comes to us direct from Surinam, it pays 10 s. 2 d. duty; but if it comes to Georgetown, Demerara, and is shipped from there, it pays 10 s. 5 d. duty.

3302. There is a difference of 3 d.?—Yes; if the rum comes from an indirect source. A few years ago, I think three years ago, a considerable quantity of rum was sent from Cuba to Jamaica, in order to be shipped here as Jamaica rum. Jamaica rum having here a great name, fetches a higher price than Cuban rum. It came as Jamaica rum; and the Jamaica planters and merchants, of course, naturally wished to stop this. The West India Committee gave the Custom House information that this Cuban rum was coming *via* Jamaica, and they at once looked into the matter, and practically they stopped it. They had no difficulty, as far as I am aware, in stopping it.

3303. You do not believe that if a countervailing duty had to be imposed there would be much difficulty in ascertaining the origin of the sugar?—I do not think there would be any.

3304. Of course if the leading sugar producing countries were to agree to a convention for refining in bond and so abolish the bounties, the practical difficulty would be restricted to the one or two other countries that remained outside the convention?—Quite so.

3305. There would be no question of differential duty as between Belgium, Holland, and France, for instance, if they agreed to the convention?—Quite so.

3306. Is there anything else which you wish to say?—I think I might add that naturally those countries which are parties to the convention would not be very likely to offer facilities to those who were not to send their sugar through them. I should like to call the attention of the Committee to the Commercial Number A. for 1879. There is a letter there which the West India Committee then wrote expressing their then view of the matter. It is at page 45, paragraph 9, the last paragraph of the letter. This letter was to Lord Salisbury: "The Committee desire respectfully to press upon your Lordship the fact that the Austrian bounties are now the turning point of the whole question. No settlement can be expected for a moment unless they are dealt with; and, considering the position taken up by France, a settlement is now in the hands of Her Majesty's Government. I am therefore humbly to pray that your Lordship will be pleased to inform the French Government that Her Majesty's Government will be willing to open negotiations for a treaty upon the basis of refining in bond in France, and binding the contracting powers to impose a countervailing duty upon sugar imported from countries where bounties are given, and I am further to pray that if this proposed negotiation with France be not practicable or likely to result in success, Her Majesty's Government will, after informing foreign powers of such intention, propose to Parliament the imposition of a countervailing duty upon all foreign beetroot sugar, for no sugar of that kind is imported into the United Kingdom without the artificial advantage of State aid, direct or indirect, in the countries of its production. But considering that France expresses her willingness to abolish bounties, provided England countervails those upon Austrian sugar, the

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Chairman—continued.

Committee pray most earnestly that your Lordship will communicate as soon as possible with the French Government upon the basis above most respectfully submitted."

3307. From whom was that?—From the West India Committee to Lord Salisbury.

3308. What was the reply?—The reply simply acknowledged the receipt of the letter: "I am directed by the Marquis of Salisbury to acknowledge the receipt of your letter of the 21st instant, on the subject of the present position of the sugar question."

3309. That is the only reply you received, I believe?—Yes, practically it is.

3310. Is there any other matter you wish to refer to?—No, nothing further.

Mr. Stewart.

3311. I think you said the West Indies depends entirely upon sugar?—Almost entirely.

3312. Is it not capable of cultivating other crops, such as coffee and tea, to any extent?—I do not think tea has ever been tried, but coffee and cotton have been tried, and they have been, to a great extent, abandoned for sugar.

3313. As not remunerative?—As not remunerative; I am afraid there is nothing else that could be grown; a few vegetables, perhaps, to a small extent, but nothing else.

3314. Corn, and that kind of thing, could not be grown in such a way as to be anything like an equivalent value for the sugar crops?—I think not, I am afraid that even that would not probably pay the cost of cultivation.

3315. I think you said there had been a larger area of beetroot put under cultivation during this present year than ever had been before?—Yes, and last year I may say the same.

3316. Does that apply to France, as well as to Austria?—As far as we are informed by the sugar newspapers which we get it applies throughout.

3317. I understand that you do not advocate anything in the shape of help for the West Indies, except to give fair play to your natural advantages?—Quite so.

3318. It is the case, is it not, that there is no bounty upon raw beet imported from France?—I believe that is the case.

3319. I am sorry to suggest to a gentleman interested in the West Indies such a doleful look-out as you yourself suggested; but I want to ask you, has it occurred to you whether the natural advantages of France for growing beetroot may be equivalent to those of the West Indies; I will tell you why I ask; as you say there is no bounty on the import of raw sugar from France, and there is no doubt the Austrian beetroot has a bounty upon it when it is exported from Austria, and the French being subject to the same competition from that Austrian beet which your West India sugar is subject to, they still going on increasing their import, it seems to me that their natural advantages must be very great when they can compete at all?—In the first place it depends on whether they are now growing beetroot profitably.

3320. If it is increasing in quantity one would infer that it must be profitably?—You would naturally infer so; but I think there is reason to think it is not so; I will mention why: in 1876 the prices of sugar were higher than they are now, and so unprofitable were they to the French

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Mr. Stewart—continued.

that they diminished their area of beetroot that year, I think, something like 20 per cent.; if it were unprofitable in 1876, when prices were higher than now, there is no great reason to suppose that it would be more profitable now; but there is another reason for extending the cultivation, which is, that the price of all agricultural produce is excessively low just now, and I think, as far as France goes, that is really the explanation of the increased area; you will see that the imports of raw sugar from France show a diminution of late years.

3321. To what extent do you suppose this import of beet sugar influences the price of sugar in this country?—I am inclined to think that it may be as much as 3*l.*, and it is certainly 2*l.* as an average.

3322. That is about a farthing a pound?—Yes.

3323. If it were the case that the natural advantages of France without the bounty for the growth of beetroot could compete with the West Indies on favourable terms, then it is clear that we have got to the natural price of sugar, is it not?—No, I think we have got to a price from 2*l.* to 3*l.* below the natural price of the sugar.

3324. You think the Austrian bounty reduces the price of the French beetroot as well as of the West India sugar?—Yes. It does not follow, because the French are exporting raw beet, that they could export raw beet if they had not got a bounty on their refined. They produce about 400,000 tons of sugar, and if in consequence of the bounty on refined they are making a very good thing out of 350,000, they could offer to sell the other 50,000 at less than cost price. The way the French bounty operates is that the French refiners only take that class of raw sugar that is best adapted for getting the bounty, and what remains over is of no very great advantage to the French refiner, and that is probably what finds its way to England.

3325. Has there been much or any improvement with regard to the machinery employed on the West India estates in the last few years?—I do not think there has been much improvement the last few years; but if you go back something like 10 or 12 years, there has been an enormous improvement. I do not think there is much improvement possible; for instance, as regards Demerara, we have got the very best-known machinery, we have the very best processes, and if we produce muscovado in parts of Trinidad and in Barbadoes; you must recollect that, although we get a lower price for the sugar, there is much less cost in producing it, and much less outlay, and all that has to be taken into consideration.

3326. You have not heard of any improvement that has been patented within the last year or so, as to crushing sugar which is supposed to have given an advantage?—I may say I think that there is hardly six months passes without a patent for improving the crushing process, but none of them have practically succeeded. Perhaps you are alluding to what is called the maceration process, which consists of having two mills, in passing the cane through two mills, instead of only one. Those interested in it say it is a success. I do not mean to say it is not, but I think the general idea is that the increased quantity of juice you obtain does not quite repay the cost of getting it.

Mr. Stewart—continued.

3327. The amount of cheapening sugar in this country, as regards the money value of it, you say amounts to something like a farthing a pound?—Yes.

3328. That represents a large amount to the individual consumer, does it not?—Yes: I do not quite know what you mean by the individual consumer.

3329. Taking the working classes, the difference of a farthing a pound is considerable on the consumption of the working classes?—They consume 64 lbs. a head, 64 farthings is 16*d.* per annum.

3330. That is a considerable tax on a workman's income, is not it?—I should think not, and I will tell you why I think not. The other day I noticed a lot of working men coming from Barnet to London, and they were paying 2*d.* a day for their railway ticket. If they can do that, I do not think 16*d.* per annum would be a very serious matter.

Mr. Corry.

3331. Do you think putting on a countervailing duty first of all in this country would be the best means of bringing the other countries to a convention?—I think so.

3332. You do not see that that would be any infringement of our free trade principles?—On the contrary, I think it would be carrying them out. I think letting the present state of things go on is a distinct infringement of free trade principles.

3333. Is there any difficulty in obtaining labour in the West Indies to increase your sugar plantations?—There is a difficulty, perhaps, but there is no serious difficulty about it. In Trinidad and British Guiana we have to import coolies from India. They are only too glad to come. They are starving in India on twopence a day, and they can get as much work as they want in the West Indies at more than 1*s.* a day. Therefore, I think there would be no difficulty in practically getting any quantity of labour required.

3334. If you wanted to increase your sugar plantations in the West Indies, you think there would no difficulty in getting the labour there?—None, practically. Of course, I think it would be done gradually. I do not think it would be possible in the West Indies to double your crop in one year; an increase of that sort must be gradual.

3335. The quantity of import of sugar there other than beetroot does not seem to have increased, but rather decreased the last few years?—Rather so.

Lord Frederick Cavendish.

3336. I understand your recommendation would be that this country should at once levy a countervailing duty on all sugars coming from countries giving bounties?—Yes.

3337. Would that countervailing duty be equal on the sugars coming from all bounty-giving countries, or would it be proportionate to the amount of the bounty?—If you wanted to be strictly correct, I think it ought to be different for all the different countries, and exactly according to the bounty; but practically that would not be a very easy thing to carry out, and the same result would be brought about by a single duty for all countries; I think that single duty could

Lord Frederick Cavendish—continued.

could be so arranged as not to exceed the bounty in any one of them.

3338. For instance, upon sugars coming from the United States, should you levy a countervailing duty?—No, I should not, because I do not think there is any bounty there.

3339. There is a difference of opinion on that subject. One witness informed us there was a large bounty on sugars coming from the United States?—I do not agree with that witness, and I gave my reasons for differing.

3340. The bounty on sugar coming from Belgium is less than on that coming from Austria?—Yes.

3341. Should you levy the same amount of countervailing duty on sugars coming from Belgium as from Austria?—Yes; I should.

3342. If you had a sufficiently large countervailing duty upon them, as regards sugars from Austria, it would make it a prohibitive duty on sugars coming from Belgium?—The bounties may be 5*l.* in the one, and they were as much as 10*l.* in the other. My impression is that a 3*l.* duty would be sufficient.

3343. If Belgium reduces its duties as it is expected, the bounty given by Belgium would be very much under 5*l.*, would not it?—Yes; that is assuming, practically, that Belgium is doing away with her bounty, if she carries out what is proposed under the Convention.

3344. Would there not be very great difficulty in some cases in determining whether a country gives a bounty or not, and therefore whether it was to be subject to this large countervailing duty?—One can conceive there might be such a case, but I do not think there is such a case. It is perfectly well known that France, Belgium, Holland, Germany and Austria, all give bounties, and I am not aware that any other country does.

3345. In all cases you think the amount should be 3*l.* a ton?—Yes.

3346. You would levy the duty the same on raw and refined sugar?—I should, because it would simplify the matter very much, and seeing that it is below the amount of the bounty, I do not think anybody would have any ground of complaint.

3347. In the case of France there is no bounty on raw sugar, is there, it is only on refined?—Then I should not levy any duty.

3348. You would not levy any duty on raw sugar coming from France?—No.

3349. I understood you that for the sake of simplicity it was to be the same countervailing duty on raw and refined?—You misunderstood me; where a country gives a bounty equal on raw and refined, I should levy the same duty in both cases on the raw and refined.

3350. Does any country give the same amount of bounty on raw and refined sugar?—No, they give rather more in Austria on refined than on raw, but still, inasmuch as 3*l.* would be less than either, I do not think they would have any right to complain.

3351. I understand you to state that we levy a differential duty on the same article, according to the port from which it is imported into this country?—Yes.

3352. Are you quite positive of that?—Perfectly certain; it so happens we get a certain quantity of rum from Surinam, and sometimes it comes direct and sometimes *via* Georgetown; 0.104.

Lord Frederick Cavendish—continued.

and we cannot get the same price for it in the latter case.

3353. Because it pays an extra duty when it comes from our own colony?—Yes. 4 July 1879.

3354. Being exactly the same in strength?—Exactly the same thing. This is the Imperial tariff: "On rum of and from any country, being the country of its own production, 10*s.* 2*d.* a gallon; on rum from any country not being the country of its production, 10*s.* 5*d.*;" so that Surinam rum coming from Georgetown, which is not the country of its production, pays 10*s.* 5*d.*

3355. If you were to export to-morrow rum to Surinam and sent it here?—We should equally pay 10*s.* 5*d.*

3356. Ten shillings and twopence if you sent it through Surinam?—No, if the rum comes from the country of its production it pays 10*s.* 2*d.*, but if it comes round about it pays 10*s.* 5*d.*

Mr. Courtney.

3357. All countries are treated equally?—Yes; but we are not treated equally as compared with England, because an English spirit producer does not pay the same duty; he has a countervailing duty.

3358. He alleges, I think, that that is by way of balance to some extra cost?—A countervailing duty would balance the bounty in our case.

Lord Frederick Cavendish.

3359. You said that the machinery and plant were equal in the West Indies to any of your competitors; would you apply that not only to Demerara but to Jamaica and the smaller West Indian Islands?—Jamaica I know very little about, but I should say not. Where they do not use high class machinery they can produce sugar cheaper. Of course if you lay out a large sum of money in machinery you require to get back, in the enhanced value of your production, the interest on your capital. There is also an increased cost in the manufacture itself.

3360. You think the expenditure of capital in high-class machinery has been generally a mistake?—Clearly, at the present price of sugar.

3361. You gave figures showing that the importation of sugar from the West Indian Colonies had been diminishing of late years?—Practically I consider it is about the same as it was in 1872. It varies according to good or bad crop. The figures do show a diminution, but there has been a bad crop in Guiana.

3362. The total export from these colonies has shown a slight but steady increase in the course of the last 14 or 15 years, has not it?—I think you will find there is no appreciable increase since 1871 or 1872. There was a steady increase up to then.

3363. If you take the 15 years, from 1863 to 1867, and divide them into periods of five years, would you not find an increase in each of the two last periods of five years?—My view is that the West India crop was increasing up to about the year 1871 and 1872, and then these bounties became so oppressive that practically the crop has stood still since then. I think the West Indies were rather thriving for some years previous to 1872. They were increasing their crops, but I do not think you will find much increase since then.

3364. Should I be wrong in stating that taking the average of five years you would find an increase

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crease in the years 1868-1872 over 1863-1867, of 500,000 cwt., and in the five years 1873-1877, an average increase of 200,000 cwt.?—I think probably it is so, because as I say, the West Indies were increasing their crop up to 1872, and that since then they have stood still, and naturally the five years since then would show an increase over the previous five years; but if you are increasing up to 1873, and you take the five years, the five years preceding 1873 would not show as large an increase.

3365. Is it also the case that the exports from British Possessions in the last year given in the Statistical Abstract for the Colonies, is the largest ever known; that is in 1877?—That was a year in which we had a rise of a penny a pound in sugar. Sugar came from China and India to a very large extent, but it has diminished since then. I gave the Committee the figures for 1878. It showed that the import from the East, which had been 120,000 tons in 1877, fell off to 60,000 in 1878.

3366. I think the figures you gave the Committee were the imports from the colonies into this country; but from the figures in the Statistical Abstract, there must be a very considerable export from our colonies to other countries?—There is a very large export from Mauritius to Australia and India, and I do not suppose that is affected by the bounties. A gentleman told me the other day that if they were dependent on the English market, they could not grow sugar in the Mauritius.

3367. But in spite of all, is it not the fact, that in order to avoid exceptional years, taking periods of five years, the exports from the West Indies for the last period of years 1873-77, is the largest ever known?—Yes, I should say it was.

Mr. Thornhill.

3368. I think the present average price of sugar is 16 s. 6 d.?—Clayed Manilla.

3369. Can you tell us at all what the price of it was 10 years ago?—In 1868, it was 21 s. 1 d.; in 1869, 21 s. 5 d., and in 1867, 20 s. 4 d.

3370. Sixteen shillings and sixpence is not a profitable price?—I consider they are growing at a loss now.

3371. How much lower do you suppose it would have to come in order that you should not be able to go on growing it?—I think if these prices continue we cannot.

3372. The present prices?—Yes.

3373. What would be the lowest profitable price?—I think the average price of about 2 l. over the price shown there would be profitable.

3374. You said there were two small estates shut up in Jamaica, lately?—Two within my knowledge; but I believe there are many more.

3375. Is there anything cultivated there now?—They are abandoned.

3376. Supposing we could grow sugar again at a profitable price, do you suppose they would be started again or would there be much difficulty about it?—I do not think 2 l. a ton rise would start them again, or even 5 l.

3377. Do you know whether there have been any failures in the sugar refining trade this year or last year?—I do not think there have been any failures, but I think several sugar refiners have ceased working.

Mr. Thornhill—continued.

3378. Let me read you this, "Sometimes, indeed, where the cry has been loudest, the proofs of suffering have been smallest. The hard case of the sugar refiners has been forced repeatedly upon the public notice. Curiously enough, while the failures in other kinds of business have been only too common, the sugar-refining business, both this year and last year, has escaped absolutely untouched?"—Of course, the refiners as a rule are men of capital, and they know from day to day whether the product of their refining is paying or not; and when it ceases to pay they cease to work.

3379. They are rich men with other sources of income, and they are not entirely dependent upon it?—Yes; there have been failures of refiners in my recollection.

3380. I think you say you would require a countervailing duty of 3 l. a ton; that would be a farthing a pound?—I think so. That is the sum mentioned by Mr. Walpole. That seemed to be, in his opinion, a fair sum, and I am inclined to agree with him.

3381. Do you not think even if the working man had to pay a little more every year, he would be in a better position, because he would be sure of the article. The working man would be in a better position even if he had to pay a farthing a pound?—Yes, if he depends entirely on the beetroot sugar, in the long run he will have to pay more for the sugar than that farthing represents.

3382. You say, your opinion is, that if something is not done to improve the present state of affairs, the West India Islands very likely would be annexed to America?—I am inclined to think so, because it would be so evidently to their profit to be annexed to America.

3383. By that do you mean that there would be a revolution?—I do not think that at all. It would amount to a protection of 10 l. a ton, which would be an enormous temptation.

Mr. Alexander Brown.

3384. Take machinery for instance, it would have to pay the American tariff going into the West Indies?—That would be nothing as compared to getting 10 l. a ton more for their sugar. If you look at the proportion of the cost of sugar which is made up by labour in the colony, you would see any extra duty on their imports would be a very small matter. I am sure they would be willing to take the 10 l. more for their sugar, and chance the duties.

Mr. Bell.

3385. You spoke of the cost of cultivating an acre per annum in the West Indies as varying from 20 l. to 30 l.?—Yes, as a rough figure. The main difference between these figures included the Muscavado estates and the vacuum pan estates.

3386. In point of fact, some cost 20 l. and some 30 l. an acre?—Yes.

3387. Do those which are cultivated at an expense of 30 l. an acre get one-half more sugar than those which are cultivated at an expense of 20 l. an acre?—They get a different quality of sugar. I do not think they get a larger quantity.

3388. With regard to the vacuum pans, I have always imagined that Mr. Howard's invention was a very great improvement in the manufacture of sugar; how does it happen that in some

Mr. Bell—continued.

some cases it is used and in some cases it is not? I know nothing of the manufacture at all?—Barbadoes, for instance, hardly uses the vacuum pans at all. There are vacuum pans, but it is almost entirely Muscavado sugar. I suppose sugar is grown more cheaply in Barbadoes than anywhere in the world. If they put up vacuum pans, that is a large outlay of capital.

3389. But it is a great saving in fuel?—No; on the contrary. Where you have no vacuum pans you burn nothing except megass, but if you put up vacuum pans you practically have to burn coal as well.

3390. For the machinery?—Yes; you require boilers, and to drive the engines.

3391. The amount of fuel required for evaporating a given quantity of water is, of course, very much less in boiling in vacuo than it would be for boiling under atmospheric pressure?—No; that is not so. In order to obtain that vacuum you have to set engines to work, and you have to raise steam to drive those engines. You are speaking merely of the evaporation itself.

3392. Yes; a pound of water must be evaporated with less fuel in vacuo than with atmospheric pressure?—Yes; if you use a vacuum pan, you have to conduct your evaporation by means of steam, whereas if you evaporate in the ordinary way, you have an open fire, and it is possible that there is some difference in that respect; practically, I may say that where you have vacuum pans, you do certainly take a great deal more fuel than where you have not.

3393. You spoke of the way in which the duty is levied; I think in Austria, by calculating upon a certain product being supposed to be given by apparatus of given dimensions?—Yes.

3394. At one time, the duty was levied on the supposition that 200 kilos. were produced from a certain capacity?—Yes.

3395. They greatly exceeded that?—Greatly.

3396. They went up to 1,100, as I understand you?—No, the Austrian Government increased the estimate of the work from 200 to 1,100, and although they did that, the manufacturers still got a larger excess over the 1,100 than they had previously.

3397. In point of fact, instead of getting five times more than they originally got, it was something more than that?—Considerably more.

3398. You went on to say it was in contemplation to raise the arbitrary quantity to 1,800?—Yes.

3399. Which in other words would mean, they were making nine times as much as in the first instance?—Yes.

3400. That, of course, means a considerable economy, because we all know, the more you produce from a given piece of machinery, the more cheaply the product is obtained?—I am not sure of that; I see in some of these reports, they think the effect of it is the reverse. The object of the Austrian fabricant is, to get as much work through in a given time as possible, in order to get as much bounty as possible, and therefore he has more or less to hurry his work to do that.

3401. If you hurry beyond a certain point, of course, you lose?—Yes, then the cost of those vats is not very great.

3402. Do you think the only way to stop these frauds is to refine in bond?—I do not think you can call them frauds; the Government deliberately gave these bounties with its eyes open.

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Mr. Bell—continued.

As I have been a good deal examined about machinery, I should like to mention this: I do not wish it to be thought that I do not think vacuum pans are good things. I think them very good things, but when you are producing sugar at a loss, the better your machinery the greater your loss.

Chairman.

3403. The larger your capital, the greater your loss?—Yes; the vacuum pan process is undoubtedly a very good process indeed. If the Belgian estimate were really properly carried out, there is no doubt that there could be nothing like the amount of excess yield that I have shown you, in all probability there is, unless there was some gross carelessness, but the Belgian Government does not care about that.

Mr. Bell.

3404. You have two parties interested in the matter, namely, the Government, whose object ought to be to obtain the highest amount of duty, and you have the other people, the manufacturers, whose interest it is to pay the least amount of duty; as the Government appear to know quite well that they were not receiving duty upon all sugar actually made, and of course the manufacturers also know it, it seems to me there would be some difficulty in preventing a fraud where both are parties to its perpetration?—The reason the Belgian Government do not care about following it up closely is that they have a law whereby they get a minimum revenue, and whatever the duties actually bring in the sugar growers and fabricants have to make it up to 6,000,000 of francs. So long as they get their 6,000,000 of francs they are satisfied.

3405. Even if they know that they are cheated out of the other two?—Yes.

Chairman.

3406. It is not the same system in Belgium as in Austria?—Quite a different system.

Mr. Bell.

3407. In each case there is this similarity, that the Government is perfectly well aware that it is not receiving the full amount of duty?—Yes.

3408. The figures you gave would indicate an enormous increase in the quantity of sugar made, and therefore consumed per head of the inhabitants; for example, in 1853 the total quantity of sugar beet and cane together was 1,476,000 tons; in the year 1873, 20 years afterwards, the figures you give show exactly a doubling; the quantity made then was 2,950,986 tons; do you not connect that enormous increase in the quantity of sugar consumed with the low price at which it was sold?—No, I do not. I think that of course low prices stimulate consumption, but as regards the Continent the prices are as high now as they ever were.

3409. I mean 1853 and 1873?—As regards this country we have abolished our duties, and thereby we have immensely reduced the price of sugar to the consumer.

3410. You think that the increased consumption might arise from a diminution in cost due to a reduction in our duties?—Yes, the tendency of consumption evidently is to increase; it has received somewhat of a check the last few years,

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Mr. Bell—continued.

but what we complain of is that we cannot supply our fair share of that increase; that we remain stationary when the total quantity of sugar is being largely increased.

3411. In your opinion they are taking measures in Europe to greatly increase the quantity of beetroot sugar produced?—Yes.

3412. And they are doing this of course on the ground that it is a profitable business to them?—Yes, except in the case of France that I mentioned just now.

3413. We will leave France out?—Generally you may take it so.

3414. That profit in a great measure is due to the fact that a system of bounties to the manufacturer exists?—Quite so; even if the manufacturer sells his sugar at a loss he is still making a profit.

3415. The doing away with the bounty has been frequently discussed between us and other nations, has it not?—Yes.

3416. In fact, I think you yourself admitted that you are holding on in the expectation of the bounty system being done away with?—Yes.

3417. In point of fact these manufacturers must be increasing their plant in order to increase the production upon a fallacy; that is if the system of bounties is done away with, then of course their outlay of capital will be so much money thrown away?—Quite so. I do not think that they have any great idea amongst themselves that the bounty is going to be done away with.

3418. It has been frequently agitated?—Yes; in this country we have hoped so.

3419. You said that sugar was now selling at 16 s. 6 d., that is at 16 l. 10 s. per ton?—That was for clayed Manilla. I quoted that as a fair kind of sugar to take as a test.

3420. You put 3 l. per ton upon it, which was the sum you mentioned, and that would bring it to 19 l. 10 s.?—Yes.

3421. Then you gave the Committee some figures by which you showed that the cost of raw sugar was 25 l.; you gave the cost of it at 16 l. 10 s. for labour, and 1 l. 5 s. for fuel?—That is a very different class of sugar. That was for this vacuum-pan sugar. This clayed Manilla is a very low kind of Muscavado. The clayed Manilla present value is 16 s. 6 d. On this table is some crystallised Demerara which I expect we shall sell to-day at 30 s.

3422. What does it come in competition with?—That Demerara is rather a fancy article.

3423. Then keep off that?—Leaving off the fancy prices, the other sample I have shown you is worth about 22 l. 15 s. to 23 l. per ton, as against the clayed Manilla, 16 s. 6 d.

3424. Take a German sugar analagous in quality to the specimen you are speaking of, this 25 l., what is it to be delivered here at now?—It is difficult to take sugar which is analogous; that sugar contains 97 per cent. of crystallisable sugar, and I put beside it some Austrian beet, which contains 96. That Austrian beet, I dare say, is worth now about some 21 l. I am speaking vaguely; it may be worth 20 l. 10 s.

3425. I will take it at 21 l.; then if you put on 3 l. for duty, that will bring it up to 24 l.?—Yes.

3426. Still, it is 1 l. a ton cheaper than what you have been speaking of?—That sugar is very

Mr. Bell—continued.

much better than the Austrian sugar. They contain the same amount of crystallisable sugar, but a larger amount of that can be obtained from the cane than from the beet, so that the cane, with the same amount of crystallisable sugar, is a more valuable article.

3427. You have no standard by which you could let the Committee know what bounty would be required in order to protect you in sugar costing you 25 l. per ton. What is the cost of sugar analagous to that quality?—That is a very good test; that sugar polarises about the same as the Austrian sugar. It is worth now about 22 l. 15 s., and the Austrian is worth about 20 l. 10 s.; that is the difference in the market value of the two sugars on the same basis.

3428. I understood you to say that the effect of these low prices would be to drive the cultivation of your sugar estates in the West Indies out of the market entirely?—I think so, if they are continued.

3429. And that very rapidly?—Yes; I think when once they begin, they will go on very rapidly.

3430. What do you call very rapidly, one-fifth every year?—Yes; I should call that rather rapidly.

3431. The very first year that that fifth was driven out of the market it would produce a scarcity at least equal to the failure in the beet crop?—I do not think it would produce any scarcity at all; a fifth of the West India crop would represent 50,000 tons.

3432. Taking the whole of the cane sugar?—I do not think you would get the whole production of the cane sugar destroyed in five years, because so many of these countries have got other markets. I think you will get it considerably reduced in those countries that have not got other markets.

3433. You do not think the driving of certain estates out of the market would have for its effect the raising of the price of sugar materially?—I do not think there would be a driving of the West India out in that way; of course I am speaking of the effect for the moment.

3434. An honourable Member asked you with reference to the increased cost of sugar to the individual; you made it out to be 16 d. per annum?—Sixty-four pounds a head is, I believe, the average consumption.

3435. You pointed out a reason why they would not feel 16 d.; that many of them were paying 2 d. per day in order to go to their work in London?—Yes.

3436. Perhaps you have not taken into account that house rent outside of London is cheaper than house rent inside London?—It may be; all I meant was that 2 d. a day seemed a largish sum, as compared with 16 d. a year.

3437. Not if he was saving 3 d. by it?—No; I am prepared to admit that he would practically be paying a farthing more for his sugar.

3438. You gave us the loss of revenue by Belgium and Austria per annum on sugar, did not you?—Yes, I did in Belgium; I do not think I did in Austria.

3439. You do not remember what it is in France, do you?—I think the last figures are 14 millions of francs. I do not think you have the Austrian figures for that year; they are very large.

3440. Will

Lord Frederick Cavendish.

3440. Will you put in afterwards the loss of revenue to each country giving a bounty?—As near as I can get it, I will endeavour to do so. I should be very glad to hand in the figures of Austria and Belgium.

Chairman.

3441. Can you give them now?—In Austria, taking a rough figure, we made out from M. Jaquemart's figures that the consumption was 185,000 tons, and the duty is about 10*l.* a ton; it is about 1,850,000 *l.*

Lord Frederick Cavendish.

3442. That is the loss to the Austrian Exchequer?—That is the amount the Austrian Exchequer ought to get if they were really getting the amount of duty they assumed they ought to get. In fact, if their estimate of the work of the factories was a correct one, that is the amount of duty they should be getting in excess of what they do get. I ought to say for that season, because the law has been changed since; that is the season 1877–78.

Mr. Courtney.

3443. Is there much sugar exported from Belgium?—Yes, there is a good deal. The average export from Belgium (these are Sir Henry Barron's figures) was, for 1875, 1876, and 1877, 58,000 tons; but they imported 17,800 tons of raw, and they imported 3,598 tons of refined. They exported 9,600 tons of refined. Roughly speaking, you may say about 60,000 tons.

3444. Where does that go?—I believe it comes mainly to this country.

3445. You said the natural cost of beet sugar was, in your opinion, greater than that of cane sugar?—I think so.

3446. Can you give any figures illustrative of that?—I have endeavoured to try and get some figures for the Committee, but it is very difficult to get any figures that I should like to put forward as being reliable. I find that different authorities vary very much, and I would rather base my view upon the fact that we can get a larger yield per acre of sugar from cane than they can from beet, and that the cost of manufacturing cane juice into sugar is less than the cost of manufacturing beet root into sugar.

3447. If the natural cost of cane sugar is less than that of beet, how do you think it possible that beet could be cultivated in Ireland profitably for the purpose of making sugar?—I think the cost of every article depends partly upon the quantity of it that is produced. I think, for instance, as regards beetroot on the Continent, the cost of producing 500,000 tons might be one figure, and the cost of producing 1,500,000 tons would, on the average, be a higher figure. As regards sugar and beet growing in England, I do not believe it would be a very large industry, but I think that they would have a little advantage in being on the spot, and I do not see any reason why they should not be able to grow a certain amount of beet, and I do not think, if these bounties were done away with, they would destroy the beetroot cultivation on the Continent; I think they would lessen the exportation from the Continent.

3448. Your opinion appears to be that if bounties were done away with so that cane and beet

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Mr. Courtney—continued.

entered into England from the Continent and from the West Indies on equal terms, cane would drive beet out of the market?—Yes.

3449. That, being the case, would not cane drive English beet out of the market?—I think English beet would have a natural advantage over French beet of nearly 2*l.* a ton in carriage.

3450. The difference of the comparative cost of production of cane and beet is so slight that although cane sugar brought from the West Indies could underbid French beet, it might not underbid English beet?—Yes, to a limited extent I do think so, but I do not think that 2*l.* a ton is a very small difference in the cost of production.

3451. Have you any opinion as to the relative value of English beetroots and French beetroots for the purpose of making sugar?—The only real experience I have had myself is at Mr. Law's place, and there I saw beets that he had grown, and I found that with different manures he could grow almost any weight of beet he liked to the acre, and that the weight of the beet was proportionate to the quantity of sugar it contained, and that he did where he got 11 tons of beetroot to the acre get a very sweet beetroot. He did get as high as 28 tons to the acre, and that probably was a rate that would have hardly been any use for sugar-making purposes at all, a great deal of water in it. The Germans, I find, do not grow more than about 10 tons of beetroot to the acre.

3452. Mr. Law's is rather fancy farming?—Quite so; it was experimental farming.

3453. It scarcely proves anything as to its economic value?—No, I think it did not go beyond proving that beetroot of a certain richness would grow in certain land under certain circumstances.

3454. Just as you might make English wine out of English grapes?—Yes; I rest very much more upon Mr Duncan's opinion, because he has had practical experience.

Mr. Balfour.

3455. Mr. Law's farming is not a fancy farming in the sense of being done independent of scientific principles?—No.

Mr. Courtney.

3456. You have no evidence as to whether this experiment was an economic success?—I do not think it was grown as an economic experiment at all; it was a scientific experiment.

3457. You are of opinion that beet growing does not pay in France?—I do not think so.

3458. It has extended a great deal?—I notice that all the French sugar papers have always an article on what they call *La crise sucrière*. I think that expression would not be used if it were a very profitable industry.

3459. We have heard of the distressed West Indies for a long time?—As the dividends show, we have not been doing very well.

3460. You referred to Réunion, where the Governor proposed to abandon cane growing; can you tell us anything of the different conditions under which cane sugar from a French colony like Réunion enters France, and beet sugar?—No; I do not know. I cannot say that I know anything of Réunion, except what I read to you from the French paper.

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Mr. Courtney—continued.

3461. In France itself, beetroot sugar would have no bounty?—I do not quite see that.

3462. Does not the bounty accrue when the drawback is paid on exportation?—Yes; but if the refiner gets a bounty when he exports the sugar, he cannot be unwilling to give a certain portion of it, in the first instance, to the grower from whom he buys his beetroot; and in that way you practically get a portion of the bounty, although it was not actually paid until the sugar was exported.

3463. Do you mean to say a part of it would go to the original owner of the soil?—Yes.

3464. In consequence of the increased cost of production to meet the increased demand?—Yes, which would go either to the owner of the soil or to the farmer growing the beet.

3465. Farming profits I suppose would be much equalised in France in different branches of farming occupation?—Yes, I suppose they would.

3466. I suppose they would go ultimately to the original owner of the soil; you make out therefore that the operation of these bounties is to increase the cost of production of beet?—I do think so, because I think the operation is to bring a larger area of beetroot into cultivation.

3467. It therefore increases in France the selling price of the beet?—Yes, eventually beyond a certain point it does.

3468. It diminishes the selling price in the London market but increases it in the French market?—Yes.

3469. To refer to the competition between French cane sugar and French beet sugar, would not it be an advantage therefore to the French cane grower that in the French market beet sugar has been increased in price?—Yes, if it were increased up to a price that would pay him.

3470. It has increased above what you may call the normal or natural price; it is increased through the operation of these bounties?—Yes.

3471. How is it that French cane-growing sugar ceases to be imported at a profit, although the article with which it is in competition has increased in price through the operation of these bounties?—I suppose that it costs something like 4 l. a ton to put sugar from Réunion into Paris; and I do not suppose it costs more than 1 l. to put French beetroot sugar in Paris.

3472. In England, you say, and with show of justice, that your cane sugar competes with bounty-fed beet sugar?—Yes.

3473. In France, French cane sugar competes not with bounty-fed, but with bounty-starved beet sugar?—Why bounty-starved beet sugar?

3474. You say beet sugar in France has increased in its price by the operation of these bounties?—I should not call that bounty starving.

3475. I will endeavour to show you that the effect of the bounties in France is to increase the price of beet sugar?—I think the way the French bounty affected French raw sugar is this. The effect is to substitute Paris for London as a centre of refining, and, therefore, those who are immediately in the neighbourhood of Paris get an advantage over those who are farther off. If you transfer the refining of sugar from Paris to London, you would at once do away with that advantage of being in the neighbourhood.

3476. I do not think you quite appreciated

Mr. Courtney—continued.

my difficulty; I will put it before you again. Your complaint is that your cane sugar is exposed to an unfair competition in the English market, because French sugar can be put on the English market at 3 l. a ton less than its natural price?—Yes.

3477. In the French market French cane sugar comes in competition with French sugar, which is put upon the market at something like, say 1 l. a ton above its natural price?—Yes.

3478. Why does not French cane sugar compete successfully with French beet sugar, when French beet sugar is so much dearer?—Because, I think, the French beetroot sugar has the advantage of something like 2 l. to 3 l. a ton over the Réunion grower, in consequence of its being on the spot.

3479. In fact the distance from the country of origin of sugar growing produces such an advantage to the home grower, that in spite of this arrangement to his disadvantage, he can undersell the colonial grower?—It is no advantage to him to get 1 l. a ton more for sugar than he would otherwise get.

3480. It is to his disadvantage in putting it in the market that he is obliged to charge more than he otherwise would?—Yes.

3481. He is in competition with the colonial grower?—I do quite admit and that, as regards France; the fact of the beetroot being on the spot is the main manner in which the growers get the Bounty Act.

3482. It overcomes the physical disadvantage?—Yes. The physical disadvantage of Paris recollect, because this French raw grower has to send his sugar to Paris, but if he had to send it to London then he would be in a different position as regards the Réunion grower.

3483. You think that if a French beet sugar grower were putting his sugar in the London market absolutely free from bounties, and the Réunion grower also put it here, the French beet grower would not be able to compete with the Réunion grower?—I do not know about Réunion, but I do not think he would with the West Indian grower.

Mr. Balfour.

3484. Is Réunion as good for growing cane sugar as our West Indian Colonies?—I cannot say at all.

Mr. Courtney.

3485. Mauritius is better, is not it?—I do not know that it is.

3486. The Mauritius growers claim that it is better, do not they?—I do not know that they do. I understand Mauritius is a very variable kind of place; estates within a mile of one another vary enormously, and the climate varies immensely; it is very hilly. The French beetroot grower putting his sugar down in London would probably pay fully 1 l. more than he does putting it down in Paris. On the other hand the West Indian sugar grower putting it in London would pay 1 l. less than in Paris; so that the 1 l. each way would make a difference of 2 l. between them.

3487. It, at all events, raises a doubt as to whether it is the effect of this bounty which injures West Indian sugar in competition with French sugar?—In 1871 I think it was the French bounties were doubled, and the French crop very rapidly doubled, and there it stopped. I think

Mr. Courtney—continued.

think there can be no question that as the supply increases the tendency is to drive the price down. We find the supply of sugar has been enormously increasing, and that the price has gone down, and when we find that doubling the bounty doubles the production, and that there is an increased production, and a decrease in price, it is natural to ascribe it to the bounty.

3488. You admit the consumer does not get all the bounty?—No, I do not think he does.

3489. You cannot give me any estimate of how much he gets, can you?—Yes, I think he gets 2*l.* to 3*l.*, taking it all round; he gets his sugar 2*l.* to 3*l.* cheaper than he would get it were it not for these bounties.

3490. The full amount, theoretically, of the French bounty is 3*l.*?—Yes, and I think the French have now lost it all. I think if present prices last four or five years you will see a diminution in the French crop.

Chairman.

3491. You are speaking of raw sugar?—It would practically effect them all; I think the French bounties have done their worst.

Mr. Courtney.

3492. You are not going to suffer more from them?—I have never been much alarmed about the French bounties; it is the Austrian and Belgian and Dutch that are more serious.

3493. The refiners at all events are chiefly alarmed at the French bounties?—Yes, their case is quite different from ours; an addition of 5*s.* or 10*s.* a ton to the refiners makes an enormous difference; to us it is a very small matter; it is when you come to 8*l.* or 10*l.* a ton that we begin to call out.

3494. The full theoretical bounty in France is 3*l.*; I thought you admitted that our consumers do not get that?—They do not get all the bounty; I am inclined to think that in the case of French sugar they do pretty well get it all; but I do not think they do get all in the case of Austria.

3495. Why do you think so in the case of France?—I think the depreciation of sugar generally caused by these bounties is about equal to the amount of the French bounty.

Mr. Balfour.

3496. The fact of the amount of the Austrian bounties has prevented the French grower getting any of his bounty?—Yes, they have knocked it down below what it would have been if there had only been the French.

Mr. Courtney.

3497. We now only have to fight the Austrian bounty?—As far as I can understand, the French, and Dutch, and Belgians are all ready to come into a convention if you will only put them on a fair footing with regard to Austria.

3498. Any single Power that stood out would be able to destroy the system of free trade which you might establish?—Unless you had a countervailing duty.

3499. The convention of 1864, without that, is worthless?—I think so.

3500. Even the last Convention, which is stronger, would be worthless?—In fact, I think I might go so far as to say I feel perfectly certain

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Mr. Courtney—continued.

you would never get a convention with these Powers unless you had a countervailing clause.

3501. It would be useless to talk of any action being taken?—I think so.

3502. You showed us that the price of sugar had continuously declined?—Yes.

3503. For a great many years?—Yes.

3504. That decline has not been much aggravated of late, has it?—No, and I do not attribute the whole of that decline to the bounties. I think that so long as Cuba could keep on importing slaves she kept increasing her production and kept on driving down the price. It was enormously profitable provided she could get slaves enough, and it was only when that came to an end that that element was removed. Since that time I think all the reduction has been owing to the bounties. Up to that time I do not think they had much to do with it.

Mr. Alexander Brown.

3505. What date would you put as the ceasing of the slave trade in Cuba?—I think the ceasing of the effect of the slave labour was about 1871 or 1872.

Mr. Courtney.

3506. The refiners have told us that the bounty system began to apply in 1864?—Yes, it told upon them seriously then, but not upon us until much later.

3507. Did you take any active part in the agitation about slave labour?—I am afraid it was rather before my time. I think I should have taken an active part in the agitation against it if I had been to the front then, certainly.

3508. You are clearly of opinion that, admitting sugar as the produce of slave labour, was wrong?—I do not go quite so far as to say that admitting the produce of slave labour is always wrong. It might be under certain circumstances that slave labour gives no advantages, for instance, in the case of cotton. I doubt whether there was any point in it all, but in the case of sugar the circumstances were very different, and it was a peculiarly hard case on the West Indies, because the labour of the West Indies had been thoroughly disorganised by the abolition of slavery, and subsequently by the abolition of apprenticeship. We had unusual difficulties to contend against. It was almost a breach of faith to the West Indies, that equalisation of the duties. You are aware, no doubt, that that measure was carried in consequence of the support of Sir Robert Peel, and he only gave his support to the measure because he had just been turned out of the Government, and if he had gone against Lord John Russell there would have been a second change of Government in six weeks. In the speech he made at the time, he expressly stated that he disapproved of the measure, but voted for it, because, to his mind, the larger question was whether they would have a dissolution of Parliament again or a change of Ministry, and that to him was a more serious question than the injustice being done to the West Indies.

3509. When I used the word "wrong" just now, I may be misunderstood; I did not mean it was morally wrong to admit the produce of slave labour, but that it was fiscally wrong, economically wrong?—I think so. I should like to mention to the Committee that that is the opinion of Mr. John Stuart Mill, who is generally reckoned a pretty good economist.

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3510. You

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Mr. Courtney—continued.

3510. You think, in fact, if a state of government prevails under which slavery flourishes, giving an unnaturally cheap labour to the producer, we ought, in fulfilment of the principles of free trade, to countervail that?—Perhaps that is going rather far, but I think it is straining free trade very much to put them on an equality; and certainly when you are endeavouring to do away with slavery, and to abolish the slave trade, it seems to me to be the height of folly to be at the same time offering every encouragement to it. As regards the purely free trade question, I think it does not always follow that slave labour is cheaper than free.

3511. Supposing it was?—Then I think it is straining free trade very much to put them on the same footing.

3512. You do not shrink from saying that free trade is fulfilled by making an allowance for the difference?—It depends entirely on whether you call it a natural difference or not. I think probably, strictly speaking, free trade has only to do with fiscal differences. Slavery is not a fiscal difference at all; it is rather a question of terms than anything else. I think it is decidedly unwise to put the produce of slave labour on the same footing as free.

3513. Take Cuba and Jamaica. The Cuban grower has his labour cheaper than the Jamaica grower?—Then I think it is unwise to put them on the same footing; but when you ask me whether, strictly speaking, it is contrary to free trade or not, I should not like to say that it was. I do not think free trade deals with a question of that sort exactly. I do not know whether you would say, for instance, that buying stolen goods was contrary to free trade.

3514. What did Mr. Gladstone say at that time?—He did not vote for the measure, and he did not pair. I do not know what his view was, except, I think, we may assume, that if he had approved of the measure, he would have voted for it.

3515. What was the rise in the price of sugar in 1877?—Speaking generally, it was about a penny a pound; about 10*l.* a ton.

3516. There was an immense increase in the crop in the following year?—There was a very large increase in the beetroot crop the following year.

Mr. Courtney—continued.

3517. Was not there an immense increase in the sugar produced in the West Indies?—No.

3518. A larger importation?—Yes, because in 1877 there was a very large quantity of the West Indian crop went to America, and that was not the case in 1878. No, I am wrong; it was in 1876 that a large quantity went to the United States.

Mr. Alexander Brown.

3519. Owing, I suppose, to the low prices here?—The market there went up a good deal before the market here did. The Americans bought sugar in this market to a considerable extent. They miscalculated their wants altogether that year.

Mr. Courtney.

3520. Is there any elasticity in the power of production of sugar in the West Indies?—Certainly, if it were profitable.

3521. Has it not been shown in recent years that it varies from year to year?—Yes, certainly, according to the crops.

3522. Independently of the seasons?—Independently of the seasons; it does not vary very much; it has not of recent years; by recent years I mean from 1871 to 1878.

3523. Of course there must be every variety of facility of production of sugar in the West Indies?—Yes.

3524. As to the two estates you mentioned which are abandoned, how are they situated?—They are very badly situated for labour; Jamaica is badly situated as compared with the rest of the West Indies. I have not been there, but from what I have heard there seems to be great difficulty in getting labour; in certain parts of Jamaica there is abundance, but in other parts there is great scarcity.

3525. Do you think the production of sugar in Barbadoes could be increased rapidly?—No, not much; Barbadoes is a small island, and practically the whole of it is very highly cultivated.

3526. Could not more be got out of an acre by means of stimulants?—They use a pretty good quantity of stimulants now; there is a good deal of guano there.

Tuesday, 8th July 1879.

MEMBERS PRESENT:

Mr. Balfour.
Mr. Bell.
Mr. Bourke.
Mr. Alexander Brown.
Lord Frederick Cavendish.
Mr. Eugene Collins.
Mr. James Corry.
Mr. Courtney.

Mr. Orr Ewing.
Sir James M'Garel-Hogg.
Mr. Sampson Lloyd.
Mr. Norwood.
Mr. Onslow.
Mr. Ritchie.
Mr. Stewart.

C. T. RITCHIE, Esq., IN THE CHAIR.

Mr. NEVILLE LUBBOCK, re-called; and further Examined.

Mr. *Alexander Brown.*

3527. YOU stated, I believe, in your former examination, that the Colonial Company were interested in, not only as merchants but as owners of, sugar estates in the West Indies?—Yes.

3528. Some thousand acres, I believe, in all?—11,000 acres, I think.

3529. What has been the effect upon those estates; have they gone out of cultivation at all?—No.

3530. The effect has simply been a reduction of the value of the produce?—Quite so; and I think the effect of the bounties has also been to prevent an extension of the cultivation, which would probably have taken place had it been profitable.

3531. But the acreage under cultivation now is the same as it was?—Practically.

3532. Therefore the effect of the French bounties, so far as it is gone at present, is simply to cut off profits?—Quite so; not necessarily only the French bounty, but the bounties generally. I think I stated to the Committee that the present prices would not pay for the cost of cultivation.

3533. With reference to your evidence with regard to Belgium, I think you stated, in answer to Question 3062, that the Belgium refiners get a portion of the bounty?—Yes, they get a portion of it.

3534. I understand you to say that the consumers do not get the benefit of the bounty?—Not the whole of it.

3535. Why is that?—Because there is no reason why the refiner should part with more of the bounty than is necessary to enable him to sell his sugar.

3536. The case of Belgium, according to the correspondence that we have had before us, is exceptional in the fact that the Belgian sugar refiners say that they cannot work in bond?—Yes.

3537. As far as the negotiations have gone, an agreement has been come to to go on on the present system?—Not quite to go on on the present system. They were to increase the as-
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Mr. *Alexander Brown*—continued.

sumed yield, and they were to reduce the duties, both of which points would have reduced the bounty. 8 July 1879.

3538. If they increased their assumed yield and reduced their duty, do you think that bounties would be done away with?—I think they would have been reduced to a point at which they would not have been of very much importance.

3539. Then it comes to this, that if other countries sufficiently increase the assumed yield they must come to a point when, if they increase the assumed yield sufficiently, there would be no bounty?—Quite so.

3540. Why then, therefore, is it absolutely necessary that you should lay down a system of refining in bond which countries may or may not adopt; why would you not go on and simply point out to them that the real yield is higher than the estimated yield?—I do not think it is absolutely necessary to adopt refining in bond. I think, as you justly say, that in the case of Belgium we should get what we want by other means.

3541. Supposing that you are satisfied of the *bond fide* assurances of a Government that by other means they would put a stop to bounty, that could be done by increasing the assumed yield as well as by refining in bond?—That is rather a vague question, because there are several kinds of assumed yield. In Belgium they do manufacture in bond, and it is only increasing the assumed yield on the manufacture of the juice. In Austria, they have an assumed yield of a totally different character, that is to say, an assumed quantity of roots that can be worked in a vessel of a given size. In the Belgium case I think that if the control was effective and the assumed yield was sufficient, that would do away with the bounties.

3542. Take the Austrian case, where they work upon the capacity of certain vessels; do you not think the increased yield from what I believe it to be now, 1,100 kilogrammes of roots in 24 hours,

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Mr. Alexander Brown—continued.

up to 1,800 kilogrammes in 24 hours, would have an effect in diminishing the bounty?—No, I do not think it would.

3543. Why not?—Because I have recently been informed that already the *fabricants* have made arrangements to increase their work by 60 per cent.

3544. If that is so, they might increase the assumed yield much further?—Of course it is difficult to say when you arrive at the point at which they must stop. No doubt there must be a point somewhere where they must absolutely stop.

3545. The Austrians, as I understand, have proceeded on this plan, in the late change of the law, of putting down a minimum revenue from these makers of sugar?—Yes.

3546. That minimum income would, I suppose, be based upon the assumed yield of those vessels, that is to say, if they find that the minimum income is not realised, they will immediately increase the assumed yield of the vessels?—No, I think not. What they do is to charge the *fabricants* so much according to the quantity of sugar that has been made, and they have to make the sum up to the minimum.

3547. But really after all the *fabricants* have to pay the Government out of their own pockets to make up this minimum revenue?—They must pay the Government; that is to say, the Government must receive 6,000,000 florins more than they pay in drawbacks.

3548. Does not that really reduce the bounty?—Not necessarily at all; because the amount of bounty that the manufacturers get depends upon the amount that they get from the consumer; if they can get 6,000,000 florins more out of the consumers' pockets, they will be left just in the same position.

3549. But why do you think that the Austrian Government are going to allow this bounty to go on; so far as you have stated, I believe they have increased the assumed yield of those vessels of late years very considerably, and are going to do it further?—As I have already said, I believe they have increased the assumed yield of the vessels from 200 kilogrammes up to 1,100, and they are now going up to 1,800; and it is perfectly clear that the *fabricants* are getting a larger bounty now that the assumed yield is 1,800 kilogrammes than they originally got when it was 200 kilogrammes; so that I think the Austrians have been making those alterations with a view of getting rid of the bounties; but the effect has been really to increase them. The Austrian Government do not understand the question.

3550. Still there is ground for supposing that the Austrian Government are doing what they can to put these bounties down?—Yes, I am inclined to think so.

3551. That being so, why not allow them to do it in their own fashion rather than tie them to manufacturing in bond?—We should not complain if they were doing it; what we complain of is that they are not doing it. They may be trying to do it, but that is no good, if they do not succeed.

3552. But you have no reason to suspect the *bona fides* of the Austrian Government as regards their desire to put an end to the bounties?—No, I do not think there is any reason to suspect their *bona fides*; I do not think that they wish to do it suddenly; I think they are quite aware that it

Mr. Alexander Brown—continued.

would be a great injury to the trade to do it suddenly.

3553. With regard to a competition amongst the cane-sugar producing countries, the figures which you have given to us, I think, show that sugar from the West Indies has rather fallen off of late years?—Yes; I should not myself go farther than to say that I think the production of the West Indies has stood still; because the crops will vary from one year to another year, and I do not think the crops of any one year are a very safe guide.

3554. But you pointed out to us, that in the case of Réunion, they would appear to be in a worse state still?—Yes.

3555. Do you not think that the decline in the production of sugar in Réunion might make a further market for sugar from the West Indies?—Yes, but it is a small production; I think it is 30,000 or 40,000 tons; and when the beetroot increases at the rate of something like 100,000 tons or 150,000 tons in a year, a small quantity like that is almost inappreciable.

3556. Is not the climate in the West Indies, practically speaking, one of the most favourable climates for the purpose of sugar growing?—I believe it is.

3557. If there is to be a decrease in the demand for cane sugar, that decreasing demand will probably fall upon other countries before it will fall upon the West Indies, will it not?—I think it would fall concurrently upon Java for instance, which is, I suppose, as well situated as the West Indies; and probably Manila and Cuba, and Porto Rico, which are large producing countries; then there is Brazil again.

3558. Do you not think there is reason to suppose that sugar from the West Indies would find a market in America?—There they have to compete against Louisiana sugar, which has a protection of, I think, nearly 10*l.* a ton, and, of course, naturally, with that protection, the crop of Louisiana sugar is increasing very rapidly. Then again, the Sandwich Islands have a treaty with America, and now their sugar goes free into America; that again amounts to a bonus of nearly 10*l.* per ton.

3559. Still for all that the Americans are taking a great deal of the Cuban crop now?—Yes.

3560. They cannot produce enough in their own country?—They have not done so of recent years, certainly.

Mr. Courtney.

3561. Have you any notion of the amount of sugar imported into America from the Sandwich Islands?—It is small at present; I think it was 15,000 tons last year.

3562. It all goes to California, does it not?—Yes.

3563. It does not come across the continent?—I think not.

Mr. Alexander Brown.

3564. Does not the question of Cuban sugar going into America, while America grows a portion of Louisiana sugar herself, make the question of refining in bond very difficult for America?—I do not see why it should make it difficult for America.

3565. They would have to refine the foreign sugar in bond, would they not?—As I before said,

Mr. Alexander Brown—continued.

said, I do not think it would make any difference whether they refined Louisiana sugar or foreign sugar. The refiner pays the same price for either the one or the other.

3566. But supposing that you take at the same refinery Louisiana sugar and Cuban sugar, and that you mix them together and calculate the duty upon them after the refinery process is finished, you would then make Louisiana sugar pay a portion of its duty?—Of course, so far as the American Government is concerned, they would be paying a drawback upon sugar which had paid them no duty. It would not make much difference to the refiner, but it would to the American Government.

3567. The Louisiana planters of sugar would very much object to such a plan as that, would they not, because their sugar would be taxed with the duty?—The Louisiana planter pays no duty, and therefore I do not see why he should object.

3568. If the Louisiana planter puts his sugar with Cuban sugar, which, after being refined, has to pay duty, the Louisiana planter will have to pay duty, will he not?—Yes; no doubt that would be an objection.

3569. And, in order to avoid that difficulty, you would have to have two refineries?—Yes; or probably a different set of people would refine the two sugars. I think there would be a difficulty.

3570. Therefore the case of America is rather peculiar, is it not?—Yes.

3571. Supposing that we are satisfied with the *bona fides* of the desire of the American Government to put an end to bounties, and that refining in bond is not applicable, can you suggest a better plan than the present plan?—I am, myself, quite satisfied that America should be left out of consideration altogether; I think she has shown no disposition to give bounties, and if she is giving them unintentionally, if it was represented to her, she would probably remove them.

3572. With regard to the effect upon English sugar refiners of cheap Austrian sugar coming to this country, of course they get their raw article cheaper?—Yes.

3573. The English sugar refiners get their raw sugar at a price less by 3*l.* per ton than they would if there was no bounty, do they not?—No, I do not think so. I explained to the Committee last week that my opinion was that the average price of sugar throughout was reduced about 2*l.* per ton by the combined effect of all the bounties; and that is the price at which the refiner gets his sugar, whether it comes from Austria, or whether it comes from France, or from the West Indies. I think that possibly the very large amount of the Austrian bounties has made them place their sugar in the market at rather cheap rates, but it would not be 1*d.* per lb.

3574. It is admitted then that the English sugar refiners get their raw sugar at 2*l.* per ton, say, cheaper than they would if there were no bounties?—Yes, I think so.

3575. Is not that a very considerable help to them?—I do not think it is any help to them at all, because they have to sell their refined sugar 2*l.* per ton lower than they would otherwise do.

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Mr. Orr Ewing.

3576. It has the effect of reducing the price of all sugars imported from our colonies?—Quite so. If they could get the same price for their refined sugar, and pay 2*l.* per ton less for their raw sugar, of course that would be a very great advantage to them; but that is not the effect of it.

Mr. Alexander Brown.

3577. It is one of the elements to be taken into consideration, that they do get their raw material cheaper, is it not?—If they get their raw material cheaper than other refiners, it would be an element; but if they are only getting the raw material at the same price as other refiners, it is no element.

3578. I believe you stated to the Committee that you thought the beetroot sugar would increase in quantity, so that the diminution in cane sugar produced in the West Indies would go on to such an extent that the sugar trade would be almost stamped out?—I think that will be the ultimate effect of the bounties if they are continued.

3579. Do you not think that such a result would have the effect of raising the price of sugar here?—I think not, until the process is completed.

3580. Why do you come to that conclusion, considering that such a large proportion of the sugar used is cane sugar, and not beetroot sugar?—So long as we were producing cane sugar, we shall be keeping up a competition with the beetroot; and therefore that would tend to keep prices very low. But the instant that competition was removed, and there was no cane sugar, my impression is that bounties would be done away with, and then you would have a higher level of prices.

3581. But if you reduced the cane sugar crop every year by a certain percentage, that would cause a scarcity of sugar in the market, would it not?—Yes; unless the beetroot more than made it good. If the total supply of sugar was diminished, no doubt the prices would rise; but what I wish to point out to the Committee is, that I do not think such a rise in price would at all tend to increase the growth of cane sugar.

3582. You think that the rise in the price would tend to stimulate some sugar-growing industry; where would it all go to?—I think it would tend to stimulate the beet industry on the Continent.

3583. You stated, I believe, to the Committee that your remedy for this grievance would be a countervailing duty, which you would put on at once, and then ask other countries to have a convention upon the subject?—Yes.

3584. You stated, I believe, that the amount of the duty would be about 3*l.* per ton?—That, in my opinion, would be a sufficient amount of duty.

3585. You would put that all round upon all classes of sugar?—Upon all classes of beetroot sugar.

3586. Would it not follow that you would be taxing some sugars higher than others?—Yes, I think it would.

3587. Therefore your countervailing duty would not exactly countervail the bounties which these sugars got going out of foreign countries?—No; it would, in reality, only countervail a portion of it; but I think it would

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countervail a sufficient portion of it to bring about the remedy that we want.

3588. How do you arrive at the 3*l.* per ton; is that an average of the various classes of sugar which come to this country?—No; I should say it is arrived at rather from an estimate of what in one's own mind would be sufficient to stop it. One would probably give reasons applicable to each different country why one thought it would be sufficient.

3589. I understand that the theory of a countervailing duty is, to exactly equally countervail any bounty that there may be?—Yes; that is the theory. One must in all cases endeavour to carry out that theory in a practical manner, and it would be impossible to carry it out absolutely.

3590. For instance, there is no bounty upon French raw sugar from the *fabricants*, but there is a bounty upon raw sugar from the Austrian *fabricants*?—Yes.

3591. And if you put on a countervailing duty you would have this position of affairs, you would be charging the French *fabricants* 3*l.* per ton, they getting no bounty, whereas in the Austrian case, you would be charging them 3*l.* per ton when they were getting a bounty equal to 3*l.* per ton; would that be fair to the French manufacturer?—Of course, that is assuming that the French growers of raw sugar do not get any amount of the bounty that is paid to the refiners; but my belief is, that they do get a portion of it.

3592. To the extent of a portion of it you would be charging them more heavily than you would the Austrians?—Yes, I think you would.

3593. Would that be fair to the French *fabricants*?—I do not think it would be fair, and I do not think it would be a wise measure to continue. The suggestion of putting on a countervailing duty was merely as a temporary means of bringing about an arrangement amongst all the parties. I think you will find that France is most anxious to come into such an arrangement.

3594. But we must consider, if we make a recommendation of that character, whether it is a practical recommendation, must we not?—Yes.

3595. Do you think that would be a practical recommendation?—Yes, I do.

3596. That is to say you are going to do an injustice to the French *fabricants* in order to countervail the Austrian bounty?—My impression is that you would find the French *fabricants* would be only too glad if the English Government would take that step. I think they would be ready enough put up with a small injustice for the moment, if you could settle the bounty system satisfactorily. I quite admit that it would be an injustice to them so long as it lasted, and that it would be only fair, possibly, to make a little difference in their favour.

3597. Not only with regard to the French *fabricants*, but with regard to the German *fabricants*?—The German *fabricants* do get a bounty.

3598. And therefore, practically, if there was to be a countervailing duty, you would have to put on the duty according to where the sugar was grown?—Yes.

3599. That is to say, you would have to have certificates of export?—Yes.

3600. Do you not see great difficulty about certificates of export?—No, I do not see any

Mr. Alexander Brown—continued.

difficulty at all; in this case of sugar there are reasons for thinking that there would be far less difficulty, for instance, than in the case of spirits.

3601. Supposing that it should happen that the Austrian bounty was higher than the German bounty, would there not be a great temptation to get the Austrian sugar passed off as German sugar, in order that it might come in at a lower duty?—Yes, but I think there would be an equal inducement to the Germans to prevent anything of the sort taking place. In point of fact, I think you would find that the Germans would take very good care that the Austrian sugar did not get that advantage.

3602. They would have to have a Customs line to do it, would they not?—They would require to have a certificate of origin, I fancy, to do it.

3603. And a Customs line also?—We could not have a Customs line in Germany.

Mr. Orr Ewing.

3604. But Germany would have a duty upon sugar going into it from Austria?—I am not sure that they do not allow the sugar to pass through. There is a question now pending between Germany and Austria; I think Austrian sugar can pass through Germany if it is going to another country.

Mr. Bourke.

3605. As a matter of fact, all the Austrian sugar that comes in here comes down through German ports?—Yes, I believe that is so; it comes down the Elbe. As I have already said, I think one single duty would be sufficient. I think it is impossible, in this matter, to be absolutely scientifically accurate; you must approach it as nearly as you can.

Mr. Alexander Brown.

3606. To countervail absolutely and accurately any system of bounties, there would be these difficulties?—There would be these little difficulties, but I do not think they need be taken into consideration, because, practically, all we ask for is that you should countervail something less than the total amount of the bounty.

Mr. Balfour.

3607. Do you say that the countervailing duty of 3*l.* per ton would be less or would be more than the bounty which the French grower now gets?—My impression is that that is about what he gets.

3608. So that no injustice would be done to him, so far as he is concerned, but only as comparing his case with the Austrian case?—No. If his bounty amounts to 3*l.* he would not be injured; but Mr. Martineau could tell you better than I can what the real amount is. Of course if the bounty in France is less it would not be fair to charge him 3*l.* I am rather assuming, in each case, that the bounty is 3*l.*

3609. Is the real amount of the bounty more or less than the countervailing duty which you propose?—I think it is about the same, but it is not an easy question to answer, because there are so many things involved.

Mr. Alexander Brown.

3610. If the bounty upon refined sugar from France is equal to 3*l.* per ton, surely the bounty upon

Mr. Alexander Brown—continued.

upon the Austrian raw sugar is a great deal more?—No doubt.

3611. That is to say, the two things stand on quite a different basis?—Quite, at least to this extent, that the amount on Austrian sugar is very much larger.

3612. When you say 3 *l.* per ton, do you base your calculations upon the condition of the French raw sugar maker, or upon the condition of the Austrian raw sugar maker?—What I rather aimed at was this, that in no case should you charge more than the bounty paid, and I think that 3 *l.* per ton does about fulfil that condition.

3613. In the French case you should not charge more than the bounty paid?—I think not.

3614. Then, of course, if the Austrian bounty is higher you would charge far less than the Austrian bounty?—Yes.

3615. Therefore, your difficulty only comes to this: that you would not have a countervailing duty against the Austrian sugar?—We should only countervail a portion of it.

Chairman.

3616. Is it not a fact that there is no bounty upon French raw sugar at all?—Except what they get indirectly through the higher price that the refiners give them.

3617. But if raw sugar brings the same price in France as it does in England it is evident, is it not, that the raw sugar maker does not get a bounty?—I do not think so, necessarily.

3618. If the sugar which the refiner buys from the *fabricants* is bought by the refiner at the same price in Paris as the refiner here is able to buy French sugar at in this market, is it not pretty evident that he would not get any bounty?—Yes; then it is evident that it would be so.

3619. If that was the case French raw sugar coming in here without a bounty would not require to be countervailed by any duty?—No.

3620. And you would not propose to countervail French raw sugar by a duty?—I do not quite agree with you that French raw sugar does not obtain a bounty, because, although a certain portion of the French raw sugar comes into this market, I believe it is mainly owing to the fact of their getting a higher price from the refiner.

3621. Is it not the fact that the sugar coming into this market from France is that sugar which gives the lesser yield of refined sugar?—Yes, mainly.

3622. The French only send here that which does not yield the larger bounty?—Yes.

3623. But if it can be shown that that kind of sugar which is used by French refiners is sold here at the same price as the French refiner pays, you would not then say that the *fabricant* obtained a bounty?—No.

3624. In that case you would not propose to impose any such countervailing duty upon raw sugar coming from France?—No, but I do not think that in any case there would ever be a question of charging a duty upon French sugar. The French are only too anxious to get rid of these bounties.

Mr. Orr Ewing.

3625. Is it not a fact that we import very little raw sugar from France?—It is a diminishing import.

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Mr. Orr Ewing—continued.

3626. It is not so according to the Return that I have before me. According to this Return we have imported in the six months of 1879, 127,308 cwts., whereas, in the six months of the year previously, it was only 47,574 cwts., and in the year 1877 it was only 34,769 cwts.?—If you went back to another year or two, you would find, I think, that the import had diminished.

3627. Whereas the raw sugar imported from Germany, which I believe includes Austrian sugar, amounted to 1,502,434 cwts., which is an enormous increase in comparison to France?—That is so.

3628. The import from Germany had increased by 50 per cent. upon what it was in 1878, and by 120 per cent. upon what it was in 1877?—I think the figures for France that you read for the six months only amounted to 6,000 tons, and I have got 14,000 tons as the total import in 1878; so that 6,000 tons for the first five months of this year does not show very much. I think, in point of fact, you may consider it rather as a diminishing import from France. One year will vary somewhat from another if they happen to have a very good crop.

Mr. Alexander Brown.

3629. If you put on a countervailing duty of any sort against France you would then diminish the import still further?—Yes, I do not wish at all to advocate a countervailing duty against France for any sugar.

Chairman.

3630. With regard to raw sugar from France, I understand you to say that you would not propose to put a countervailing duty upon raw sugar from France?—No, I do not think it would be necessary.

3631. Therefore, in speaking about a countervailing duty upon sugar from France, we may confine ourselves exclusively to the question of a countervailing duty upon refined sugar from France?—Yes, I think so.

3632. You are aware that refining in bond has been agreed to by France at more than one conference?—Yes.

3633. And if France, Belgium, and Holland were willing to come under a convention to abolish bounties similar to that which was agreed to upon the last occasion, you think that would be satisfactory if it contained a clause binding the signatories to the convention to put on a countervailing duty against any country which continued to pay bounties?—Quite so.

3634. Then, if France, Belgium, and Holland were to agree to that, they would include practically all the great refined sugar-producing countries, would they not?—Except Austria and Germany. They produce refined sugar, but it does not come this way. It would embrace the four countries that send refined sugar this way.

3635. But do they export large quantities of refined sugar?—Austria exports large quantities of refined sugar which goes mainly to the Mediterranean, and it is there driving out the French sugar.

3636. France cannot compete with Austria, because the Austrian bounty is larger?—Quite so.

3637. Then, taking the present state of our imports, if that convention that I mentioned were agreed to between France, Belgium, Holland,

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Holland, and England, we should practically have the difficulties of a countervailing duty materially reduced, should we not?—Quite so; I think they would be reduced to, practically, you might almost say, Austria and Germany.

3638. And that would be more with reference to raw sugar than refined?—Yes.

3639. In speaking about 3*l.* per ton, so far as your knowledge goes, that would be under the lowest bounty that is paid?—It would be about the bounty paid by Germany, and considerably under the bounty paid by Austria.

3640. But if investigation should show that it was higher than the bounty paid by either of those countries, you would not wish to name the sum of 3*l.*?—Certainly not; I only say 3*l.*, because my impression is that that is less than the bounty.

3641. What you desire in the way of a countervailing duty is that it should be less than the bounty, rather than that it should be supposed that you wish for protection?—Certainly. We do not ask for any protection at all; we only ask for even less than equal play; we are willing that our competitors should have a certain advantage over us.

3642. Have you any information as to whether Germany is also willing to come under such a convention?—I have seen, this morning, an article with regard to it, which would lead one to imagine that Germany is willing to come under such a convention. I read it in the "*Journale des Fabricants des Sucre*" of the 2nd of July. They have a long article upon the sugar question in Germany, and they quote the opinion of Dr. Stammer, who has been the editor of the chief sugar newspaper in Germany. He deals here with the question of an international arrangement. He alludes to an agreement which has recently been come to by the refiners and the *fabricants* in France, to ask the French Government, I believe, to endeavour to arrange an international agreement on the basis of manufacturing and refining in bond, where there are duties; and, in dealing with that Dr. Stammer says that he is very glad to see that the two portions of the French sugar industry which have hitherto been enemies are now friends, because that simplifies the matter considerably; and he then goes on to say: "But we think that the means which have been chosen are extremely difficult and long to execute. The situation of the sugar industry in all the countries requires, however, an immediate solution. The principle difficulty rests, in our opinion, upon the general tendency of the English Government and also of the English nation to reject all adoption of differential duties, or all special treatment, for any article according to the place whence it comes. So long as England will not decide to render access to her market difficult to bounty sugar, it will always be difficult to surmount the opposition which refining in bond will encounter in a country of régime."

3643. In point of fact that amounts to this, that, apparently, Germany would be willing to come under some convention, but it would be hopeless to expect any convention unless England was prepared, in the event of bounties still continuing to be paid, to put on a countervailing duty?—Quite so; that is the German view.

Lord Frederick Cavendish.

3644. Is there any reason to suppose that those views are official?—This is a French paper, but it is quoting the opinion of Dr. Stammer, who is a high authority in Germany on sugar questions.

3645. Is he likely to represent Prince Bismark's views?—I think Prince Bismark's views would probably be those of the industry.

Chairman.

3646. That report alludes also to an agreement which has been arrived at between the *fabricants* and the refiners of France?—Yes, and it goes on to point out that the difficulty is really with Austria.

3647. What, in your opinion, has hitherto prevented any convention being finally agreed upon by France, Belgium, and Holland?—I am rather inclined to think that, until recently, each was trying to get the better of the other; but recently there is no doubt in my mind that the last convention broke down because we refused to insert a similar clause to that which was inserted in the Convention of 1864, or rather, it was inserted in such a way as to mean nothing. I might just read to the Committee an extract from the Minutes of the International Conference, on the drawbacks on sugar, held at Paris in February and March 1877. On the 7th of March the delegates appear to have met in order to consider a report upon the conference which had been drawn by M. Teisserence de Bort, who was the chairman. The chairman had stated in this report, that the responsibility for the failure must rest with England, inasmuch as they had refused to insert that clause. Mr. Walpole objected to this, and he got the clause altered.

3648. There was, in fact, a clause inserted, but it was of such a permissive nature as to be worthless?—I will, with your permission, read the words used by Mr. Walpole: "Mr. Walpole remarked that England did not say that she would not take them, but that she desired not to be obliged to do so. After the exchange of various observations between the delegates, the President stated that, in order not to compromise the conclusion of an agreement which the opposition of the English delegates placed in question, he consented to the words '*pourrait être provoquée*, being substituted for '*serait provoquée*.' With regard to the expression, '*mesures de défense*,' he maintained it. The article would therefore be drawn as follows: Article IX. In the event of bounties, direct or indirect, being granted by other countries on the exportation of raw or refined sugar, and becoming compromising for the production of one or other of the high contracting parties, a new understanding might be promoted, in order to consider, in concert, as to the measures of defence to be taken. This combination constituted the extreme limit of the concessions of France. Did the English delegates accept it? Mr. Walpole replied that the delegates of Great Britain accepted Article IX. as drawn, provided that it was well understood that it did not oblige the English Government to adopt efficacious measures. The President asked Mr. Walpole if this reservation signified, according to his view, that in no case would the English Government consent to take measures of the nature of those indicated in the article under discussion. Mr. Walpole replied that the English Government would no doubt not refuse to take into

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into consideration the propositions which might be made to it, with the object of causing the suppression of bounties in all countries, it only reserved its liberty with regard to the measures to be taken. MM. Guillaume and Rakusen declared that they agreed with this interpretation. The President feared that the declaration of Mr. Walpole, even thus modified, weakened to a certain extent one of the essential clauses of the draught convention, and compromised its ratification by the French Chambers. If such was its effect England must bear the responsibility of the abandonment of the conventional arrangement; Mr. Walpole replied that his instructions obliged him to maintain it."

3649. So that that all goes to show that without a clause in a convention binding the Powers to place a countervailing duty upon sugar coming from countries that continued to pay a bounty, there is very little chance of any agreement being carried out?—I think it is absolutely certain that no agreement will be come to with France without such a clause.

3650. But you believe, also, that if such a convention were agreed to, the effect would be to drive those countries into the convention who at first remained out of it?—Yes, I think so.

3651. Obviously, I suppose, there would be no object in any country giving a bounty that was counteracted by means of a countervailing duty in the country to which the sugar came?—I think not.

3652. Therefore the bounty would naturally cease, there being no longer any object in giving it?—I think so.

3653. And the countries would then be brought under a convention which would satisfactorily abolish bounties?—Quite so.

3654. I understand that whilst you consider that refining in bond is the only thorough means of abolishing the bounty, yet you admit that there are some countries, such as Belgium, and perhaps America, which might very fairly be put under a different régime?—Yes; and I should not object to include Germany under a different régime.

3655. But would it not be necessary that they should greatly reduce their duties?—Certainly.

3656. That is a *sine qua non*?—Yes.

3657. Is it not that you believe that no system, except that of refining in bond, would absolutely do away with bounties, because, otherwise, it would not matter what the duty was; it is because you believe that no system, except that of refining in bond, will abolish bounties that you say it is necessary to couple with that, a large reduction in the duty?—Yes; and an alteration, to a certain extent, in their system. In the case of Germany, for instance, you would have to increase the yield.

3658. But broadly, I gather that you do not believe that any measure, except that of refining in bond, would absolutely abolish bounties?—Not to be perfectly satisfactory; but in the case of countries where you might find that there were insuperable difficulties as to refining in bond, I think some other terms might be made with those individual countries.

3659. In point of fact, if France and Holland would agree, as they did agree in the convention which they made to give Belgium an exceptional position on account of exceptional difficulties, you would have no objection that England should

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also agree to give Belgium, and other countries in a similar condition, a somewhat exceptional position, even although it should give a minimum of bounty?—Yes.

3660. It would remedy the greater evil, whilst perhaps it might leave existing a trifling evil?—Yes.

3661. And still the position of things would be infinitely better than that which exists now?—Yes, and then we should, at any rate, know the extent of it.

3662. You were asked as to the better position which English refiners were in, in consequence of getting their raw sugar 2*l.* to 3*l.* per ton cheaper by means of the Austrian bounty; but if refiners on the Continent get their raw sugar at the same price as the English refiner, the English refiner has no advantage as compared with the foreign refiner?—Certainly not.

3663. And there is nothing in that to reduce the difficulty that he has in contending with the bounty?—No.

3664. With reference to the system to be adopted in abolishing the bounty, an honourable Member suggested that, if other countries increased their yield there would be no bounty, and I think you rather assented to that at first; but is it not a fact that Austria, notwithstanding that she has considerably increased her yield, pays as large a bounty as ever?—Yes; I only went so far as to say that there is a figure to which it might be raised which would have that effect.

3665. But is it not a fact that at the time when the sugar makers of Austria had to give the largest yield they obtained the largest bounty?—It is the case now, I believe.

3666. And that when she was having to give the largest yield was the very time when the bounty exceeded the duty?—To the greatest extent.

3667. I believe the French *fabricants* manufacture in bond?—They do.

3668. And I presume they do so, because it is considered that no other system effectually does that which manufacturing in bond does?—I presume so, and it appears to have worked very satisfactorily.

3669. A question was asked you as to whether the reduction in the growth of cane sugar would not increase the price of raw sugar here; but is it not a fact that the growth of beetroot is largely increasing?—It is.

3670. Are you aware how much more beetroot will be grown this year?—It is estimated at from 10 to 15 per cent.

3671. If that were to go on it would very soon fill up the gap created by the reduction of the growth of cane sugar, would it not?—In fact it anticipates the gap. We have been getting an increased quantity of sugar before there is any gap at all.

3672. That would, of course, prevent any rise in the price, because of a smaller production of cane sugar?—Quite so.

3673. But when the cane sugar was extinguished, if such a thing occurred, there would be no further object in paying the bounty, and, therefore, the sugar would advance in price?—I think so.

3674. But you do not think that would tend to revive the growth of cane sugar immediately?

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—I feel almost certain that it would not do so at all.

3675. You were asked the other day some questions as to how it happened that French cane sugar, Réunion sugar, could not compete with French beet sugar, and you gave some answers tending to show that it was in consequence of the greater disadvantages under which cane sugar laboured by reason of the carriage from Réunion; but is not the principal reason why Réunion sugar cannot compete with beet sugar simply this: that the refiners get a far larger bounty out of beet sugar than they do out of cane sugar? —That is so. I quite overlooked that at the time I was asked the question about it. It increases the advantage, of course, which the beet-root growers have. The main manner in which the French refiners get the bounty is from the presence of salts in the beet sugar. I think it has been explained to the Committee that it is calculated by the French Government that, for every one per cent. of salts in a sample of sugar, five per cent. of crystallisable sugar is prevented from being crystallised, and therefore a deduction is made to that extent. But, in practice, that one per cent. of salts does not prevent the crystallisation of more than, say, three per cent., and possibly even less; and, therefore, the larger the quantity of salts in the sugar, within certain limits, the larger is the amount of bounty which the French refiner gets. But, inasmuch as cane sugar contains very little salts indeed, he cannot get the same amount of bounty by using cane sugar that he can by using beet sugar.

3676. Then, in estimating the bounty obtained by the French refiner, you must not only estimate the possible excess of yield which he obtains, but you must estimate some considerable amount for this co-efficient?—The error in the co-efficient is one of the means by which he obtains his excess yield. I should like to refer the Committee to this Parliamentary Paper, Commercial No. 9, where all this is thoroughly explained, at page 20. There is an extract from the "*Journal Officiel*," as to the "*commission au tarif général des douanes*," under the presidency of Monsieur Jules Ferry. Monsieur Georges, in giving evidence, clearly explains that at page 22. It appears that the French refiners had complained that there was such a dearth of sugar, generally, that they were actually obliged to cease refining for two months in the year; and Monsieur Georges points out the absurdity of that, and says that there is plenty of sugar. France, he says, refines 500,000 tons of sugar in the year; France alone makes 400,000 tons; and the Colonies send France 100,000 tons; so that they have plenty of provision. But the real reason is that, for two months in the year, they cannot obtain sugars with plenty of salts in them, and as they cannot get their bounty unless the sugars have plenty of salts in them, they stop making.

3677. They could get cane sugar during those two months, but not being able to obtain sufficient bounty by means of the cane, they would rather stop their works?—Yes.

3678. You stated just now that this wrong co-efficient was one of the means by which they obtain their excess yield; but in estimating any excess yield obtained by saccharimetry, you have to add to that excess yield also an addition, because of the error in this co-efficient?—

Chairman—continued.

Quite so; it is not so much because of the deficiency shown by the saccharometer. The analysis will show you the quantity of ash in the sugar, and then it depends upon the Government to take a co-efficient of three, or four, or five, or six, or anything they like. The French Government has fixed upon five as the co-efficient to take; and that is, no doubt, a great deal in excess of what the real co-efficient should be; so that, although you had saccharimetry, if you adhered to a co-efficient equal to five, you would still have a considerable excess.

3679. Then, any excess yield shown by the saccharometer, taking five as the co-efficient, must be added to considerably, in consequence of this co-efficient not being right?—Quite so.

3680. You were asked some questions last time the Committee met on the subject of machinery; you did not mean, I presume, to imply by any answers that you gave that you were indifferent to the value of improved machinery?—Not at all. I think it was Mr. Bell who asked me about the vacuum pan; and his question was as to the saving of fuel. The chief advantage of the vacuum pan is not so much in the saving of fuel, as in boiling the cane juice and syrup at a low temperature; and it is found that by working up the syrup at a low temperature you can get a larger quantity of crystallised sugar from it than you can if you boil it at a higher temperature.

3681. Is this bounty, assuming that there is a bounty, a tax upon our own producers?—Certainly it acts in that way.

3682. If the Government were to place a tax upon the producers of any article manufactured here, would they not be bound to put a Customs duty upon the import of those goods?—They would, I think, undoubtedly do so.

3683. That, therefore, is a countervailing duty?—Yes.

3684. Taking it with reference to tobacco and cigars, you are aware that there is a considerable difference between the duty upon tobacco and the duty upon cigars?—Quite so.

3685. Is that levied for fiscal purposes, in your opinion?—No, I should say not.

3686. Is it not levied for the purpose of enabling our manufacturers here to work upon the same terms as the foreign manufacturers?—So I understand it. I understand it in this way: that our manufacturer would pay a certain amount of duty upon the raw tobacco. If he comes to work that raw tobacco up into a cigar, there is a certain quantity of it which is waste, and which cannot be turned into a cigar. The foreigner, on the other hand, if he sends cigars here, would only pay the duty on that portion of the leaf which had actually been made into the cigar; and therefore our manufacturer would be at a disadvantage as compared with the foreigner, if there was no countervailing duty. The Government, therefore, has imposed a countervailing duty upon cigars.

3687. And you are aware that, in the alteration made last year upon the tobacco duty, the same amount was put upon cigars as upon tobacco, and that this year, having found out that that was not placing our manufacturers here upon fair terms, an additional 2d. per pound was put upon cigars?—Quite so; I think great care has always hitherto been exercised that our manu-
facturers

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facturers should be placed upon a footing of equality with foreign competitors.

3688. If nothing else but the consumer were to be considered, the consumer would be benefited, would he not, if cigars were admitted at the tobacco duty?—Certainly; he would get his cigars cheaper than he does now.

3689. It is only to prevent our manufactures being destroyed that this countervailing duty is put on?—I think so, clearly.

3690. Do you think that our Government are not equally bound to place our manufacturers upon fair terms with reference to a tax placed upon them by a foreign Government, as they are with reference to a tax placed upon them by our own Government?—I think so. I think it is an unheard of thing in the commercial history of England, that British imports should, in point of fact, be taxed by Austria. When our sugar comes to England now, we are, in fact, penalised by a tax which is levied upon us by Austria.

3691. Therefore, looking at the example of tobacco, cigars, and also of spirits, you contend that a countervailing duty is not a departure from our policy?—On the contrary, I think we have distinctly adopted the principle of countervailing duties in these cases.

3692. And, in addition to that, you are able to refer to the clause of the Convention of 1864, which pointed distinctly to a surtax upon sugar from countries continuing to pay a bounty?—That shows that Mr. Gladstone's Government did admit the principle, and was prepared to carry out the principle in the case of sugar.

3693. If that clause did not mean that, it meant nothing?—Nothing at all.

Mr. Onslow.

3694. This countervailing duty that you have been talking so much about, you say ought to be 3*l.* per ton, and if that were not levied it would be of no use for this Government to ask foreign Governments to enter into any convention; from the purport of your answer, I think I am right in gathering that to be your opinion?—Unless the Government either levies it, or declares its intention of levying it, it is useless.

3695. Do you think that the declaration of an intention would be sufficient to induce the other governments to enter into a convention?—Yes, I think it would.

3696. You call it a countervailing duty; I should be very glad indeed to know why you call it by that euphemistic term, when you say that before we can enter into a convention we must, at all events, threaten foreign governments or else it will be no use; would it not be more in the nature of a retaliatory duty?—No, I think it clearly would not be a retaliatory duty.

3697. Will you explain why?—I understand retaliation to mean this: that if a foreign government does us an injury we will do them an injury; but in this case all that we do is to accept the bounty that they offer us, but we do it in our own way instead of in theirs. They wish it to act as a destruction to our trade; we have no intention that it shall so act; and, therefore, instead of letting it go into the pockets of the consumers of sugar, we let it go into the pockets of the people of England.

3698. You say that if foreign governments do us an injury it would be only retaliation if we

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Mr. Onslow—continued.

put this duty on, because we wanted to damage their industry?—I was not aware that I used those words, and I had no intention of using them.

3699. You say that great injury is done to the trade by this bounty system?—Yes.

3700. If we were to put on this countervailing duty it would be an injury to foreign countries, would it not, because their sugar would not then compete with West Indian sugar?—If you call that an injury.

3701. I look upon it as an injury; that is to say, you would injure foreign trade by putting on this countervailing duty?—Then we are injuring foreign trade, for instance, by our manufacture of iron; but we do not call that retaliation.

3702. I quite agree with you, but I think we should be explicit in this term "countervailing duty," because it is rather apt to mislead; I have read your evidence carefully, and I cannot myself see how this countervailing duty, which you propose, would not be an injury to foreign trade; and, therefore, in that light, it seems to me that it is only an euphemistic term for retaliation?—I think it is generally argued that the giving of these bounties by foreign governments is a very foolish thing.

3703. Argued by whom?—By those who oppose a countervailing duty; and, I think, therefore, that if we could get these governments to cease to give these bounties, instead of doing them an injury, we should be conferring a benefit upon them.

3704. But it is no use what we argue; we have to look at the facts, and there is the fact that these governments do put these bounties on sugar, and therefore it is no use our arguing that the system is wrong; that is the fact, that they do it, and that they injure our trade thereby?—Yes; and we have been doing what we can in the way of negotiation to induce these governments to take off these bounties.

3705. But before we make any other convention you say that we should put on this duty, which you call a countervailing duty?—Yes.

3706. I cannot help thinking that it is in the nature of a retaliatory duty, because we should put it on to damage the French and the Austrian trade, in order that we might protect our West Indian trade; that would be the object of it, would it not?—The effect of it would be to give the French and the Austrians free trade in the English markets; and surely they cannot expect more than that.

3707. But you must recollect that France and Germany have not gone in for free trade, whatever we may have done?—You mean that we ought to give them something more than free trade in our markets?

3708. No; I do not say that at all. They have this system of bounties to protect their own trade?—Then you think it is a hardship upon the French that we should compete with them. They are to have our markets upon their own terms; and you call it retaliation if we ask to be placed upon an equal footing so as to be able to compete with them.

3709. Still, if France and Germany had not this system of bounties, there would be no use in our putting on this countervailing duty?—No; then we should have nothing to complain of.

3710. Because they have done so, we should do something to meet them?—In order to place

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the trade on that basis which it would be on if they had not put on the bounty; that is to say, to secure free trade.

3711. In your former evidence, at Question 3287 (of course I do not wish to go into any political question), you have given a very decided opinion; I should be glad to know whether that opinion of yours is founded upon anything which you yourself know from being in correspondence with the Legislature, or whether it is merely a casual opinion which you have yourself formed?—It is an opinion which I have heard expressed by other West Indians; but I think there is a gentleman coming after me who will be able to throw a little more light upon that. I understand that overtures have been made by the American Government to the Colony of Demerara particularly. It is evident that, if West India sugar could go to America with a protection of 107. per ton, it would increase the value of sugar estates so enormously, that if you merely look at this question from a money point of view, there would be every inducement to Demerara to endeavour to secure annexation to the United States.

3712. Demerara is now one of our own Colonies?—Yes.

3713. A correspondence has been going on between Demerara and the United States for annexation; is that what you wish to say?—Not at all; but I understand that overtures have been made by the United States to the Colony. I believe what they have been making overtures to secure, is a treaty which would practically almost have the effect of annexation. I have heard very strong opinions expressed by West Indians that the treatment that they are receiving from the mother country is one of such excessive hardship that it would be far better for them to go with the United States.

3714. Do you think that the system of bounties is adopted in France on account of our West Indian trade in sugar, or do you think it is mainly in order to compete with the Austrian sugar that the French keep on their system of bounties?—I think it was originally put on to compete with us; and they now find that they are being cut out by the Austrians; but they have not increased their bounties in consequence, so far.

3715. So far as our West Indian trade is concerned, you do not think that the French would keep on the bounties to try and cut us out of that trade at present?—I think that is why they are keeping them on, certainly.

3716. Not so much then on account of the Austrian trade?—They probably look at the trade as a whole. If they wanted merely to cut out the Austrian trade, they would have to increase their bounties very largely. As a matter of fact, the Austrian trade is cutting them out.

3717. Then do you think there is any probability of the French increasing their bounties to any extent, in order to compete with the Austrian trade?—No, I hardly think so. I think they want as much money as they can collect for revenue purposes, and they do not see their way to spend more of their revenue for that purpose. At present what the French are really driving at, I believe, is to try and get a fair international arrangement.

Mr. Balfour.

3718. The honourable Member for Guildford asked you a few questions with the object of

Mr. Balfour—continued.

eliciting from you a confession that your proposal was made with a view to injure foreign nations; undoubtedly the imposition of retaliatory duties would injure the foreign sugar manufacturer?—Yes.

3719. But you do not think that it would injure the foreign country, because your opinion is, that at present the Austrian taxpayer, for example, is handing over into the pockets of the Austrian manufacturer a premium for which the Austrian taxpayer gets no equivalent?—In fact, in Austria, it is the consumer of sugar who is being taxed for the benefit of the Austrian sugar grower.

3720. So that your view would be, that if by the imposition of this retaliatory duty, the Austrian sugar trade was seriously diminished in quantity, that result would not, in fact, be an injury to the Austrian nation, but rather a benefit; it would injure the Austrian manufacturer, but it would benefit the Austrian consumer?—Clearly.

3721. Therefore the countervailing duty which you propose is not retaliatory, in the sense of trying to inflict any injury upon foreign nations, but it is simply with a view of spreading the blessings which are commonly understood to flow from free trade, to other nations?—That is my opinion, clearly.

3722. The Chairman pointed out that the English Government, whenever they taxed any commodity brought in from foreign countries, always attempted to impose an excise of exactly equivalent amount; he instanced tobacco, in the case of which his own efforts caused some alteration of the taxation, as an example of that principle; and he was of opinion that the imposition of a countervailing duty would be merely carrying that principle rather further?—Quite so.

3723. The tax upon tobacco was originally imposed for the purpose of obtaining money for the English Exchequer, and the arrangement of that duty between the English manufacturers and the foreign manufacturers was simply with a view of preventing any injury to the one rather than the other; there is some distinction, in practice, between imposing an equal tax for the purpose of getting money, and imposing a tax, not for the purpose of getting money at all, but simply for the purpose of equalising foreign and home industries?—Yes.

3724. Therefore there is some distinction between the action of the English Government in the case of tobacco, and the proposed action in the case of sugar?—Yes; I think we only go so far as to say that there is no distinction in principle.

Mr. Stewart.

3725. You said that you thought 3*l.* per ton of countervailing duty would be sufficient?—Yes.

3726. The Austrian Government give a very much larger bounty than that upon raw beetroot; was it not 12*l.*?—Yes; in 1877 and 1878, I think, it was not very far from that.

3727. Supposing that the English Government entered into such a convention as the Chairman has alluded to, do you think that your proposal to put on a bounty of 3*l.* could possibly satisfy the French Government, for example?—I think very possibly it would not; but you must remember that, in the case of Austria, they have altered their legislation; and the year that I was giving you

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you was before that alteration was made; so that I think the bounty is less now.

3728. You admit that it is at present much larger than the duty that you propose?—Yes.

3729. Therefore, is it not clear that if we entered into a convention with those nations, we should be obliged to agree with them as to the amount of bounty which they considered would enable them to compete upon fair terms with Austria, or any country that put on a bounty?—Yes, probably we should.

3730. On the last occasion that we met you stated that you estimated the consumption of the population at 64 lbs. per head in the United Kingdom?—Yes.

3731. And you said you thought that the imposition of a countervailing duty was not anything to speak of to a working man; I suppose it would not be an extravagant calculation to say that a working man may have a wife and three children in his family; if you reckon up that, you will find that, taking a labourer's wages at 50 l. a year, this countervailing duty, by which you propose to increase the price of sugar, would put on 1½ d. for 1 l. income tax on every labourer in the Kingdom?—I have not worked it out in that way.

3732. You would consider that it was something?—I think I did admit that it was something, but not a very large amount.

3733. You would consider that, if the Chancellor of the Exchequer proposed to put a tax of 1½ d. on our incomes, it would be something that we should feel?—Yes; but I maintain that the workman would have to pay it whether we do anything or not; and that, in the future, he will have to pay more than that farthing.

3734. That is supposing that we extinguish industries which at present tend to keep the price down?—Quite so.

Chairman.

3735. What has been the object of the present Government and the last Government in all the negotiations that have taken place upon this subject; has it not been to put an end to the bounty?—Clearly.

3736. The effect of putting an end to it by negotiation and by a countervailing duty is the same, is it not?—Yes, exactly. The workman might derive some little benefit in the case of a countervailing duty.

3737. If the sugar came in with the duty, the duty would be collected and distributed over the whole body of taxpayers, so that it would positively be to his advantage to have a countervailing duty, rather than by negotiation to put an end to the bounty?—Clearly.

Mr. Sampson Lloyd.

3738. I understand 64 lbs. to be the estimated amount of sugar per person per annum; for a working man's family, his wife and himself and three children, it makes 320 lbs., and a farthing per lb. upon that is 80 pence, which is about 1½ d. per week; do you consider that that would be a tax that working men would remonstrate very much against, if, for the sake of giving employment to a large number of their own class, the price of something less than half-a-pint of beer per week were added to their expenditure?—The workmen have already spoken for themselves here; they have stated that they do not

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object to it; at least, a representative of them stated so here. I mentioned a week ago that they were paying 2 d. and 3 d. a day in railway fares to come up to London; so that it does not seem to me a very large amount.

Mr. Orr Ewing.

3739. You referred to the growing of beet in this country; are you personally acquainted with the growth of it?—No, not at all.

3740. You are not able to give any information as to how many tons per acre can be grown in this country?—No.

3741. The consumption of loaf sugar in this country seems to have been very stationary since 1864?—Yes, I believe that is so.

3742. Can you give any reason for that?—I daresay that one reason is, that a portion of the large increase of consumption arises from sugar being used, for instance, in brewing and in cattle feeding; and, of course, loaf sugar is never taken for that purpose, so that one would hardly expect loaf sugar to show as large a proportionate increase as that of sugar generally.

3743. The consumption of loaf sugar was 140,000 tons in 1864, and it is the same in 1868?—I am not sure whether the granulated sugar and cubes which are now coming over are classed as loaf sugar.

3744. Would it not be considered as loaf sugar?—I do not know whether it is so in the returns or not; Mr. Martineau could probably tell you that better than I can.

3745. Is it not the case that what are called moist sugars now include some very fine native sugars, which are used instead of loaf sugar, such as crystallised sugar?—Crystallised Demerara, no doubt.

3746. But I mean what is refined in this country?—No doubt.

3747. In fact, is it not the case that, in former years, white sugar was invariably used in making preserves, whereas crystallised sugar is now preferred to loaf sugar for preserves?—Yes, I believe that is the case.

3748. Therefore, that may account for the stationary consumption of loaf sugar?—Yes, it would, no doubt.

3749. The consumption of what is called moist sugar has greatly increased since 1864, has it not?—Yes.

3750. It has increased, I think, about 400 per cent. since 1843?—I have not the figures before me, but I have no doubt it is so. I know the increase is very large indeed.

3751. But notwithstanding that great increase the trade is very unprofitable, is it not?—Quite so.

3752. Many failures are constantly taking place?—There have been many failures, and many others have retired from the trade who have not failed.

3753. The growth of sugar in our West Indian colonies is stationary, is it not?—Quite so.

3754. This, you consider, from the evidence you have given, is caused by the importation of sugar from France, Holland, Germany, Austria, and Belgium?—Yes.

3755. And those sugars have artificial advantages in the shape of bounties?—Yes.

3756. You consider that bounties given for any article of manufacture have an effect in any country

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country to which they are applied the reverse of free trade?—Quite so.

3757. Any article of our manufacture that France imports and puts a heavy duty upon, is a disadvantage to this country, and an advantage to France?—It no doubt is an advantage to the French, or they would not import it.

3758. And any article manufactured in France and imported by this country, upon which a bounty is paid, is an advantage to the French manufacturer, and a disadvantage to the manufacturers of this country?—Quite so.

3759. The fact is that a bounty given by any country upon an article which is exported from this country is the same as a tax upon the article which we receive?—It is the same as a tax upon an article coming in.

3760. It is a tax upon our article?—Yes.

3761. You propose to get quit of this by putting on a countervailing duty?—Yes.

3762. You look upon that as the only means by which you can get foreign countries to refine in bond?—I think that if you are prepared to adopt a countervailing duty, you will then get other countries to enter into a convention, some on the basis of refining in bond, and some, as in the case of Belgium, possibly, under other terms, but with the effect of abolishing these bounties; but that unless you are prepared to adopt that principle in the event of failure you will never get such a convention.

3763. You think it would never be necessary to put into force such an Act as that, because, in order to be able to send sugar into this market, where such an enormous quantity is consumed, they would give up the bounty?—Quite so.

3764. You seem to think that a threat would be sufficient?—I think so, if you are prepared to act upon it; and I do not suppose that the British Government would make a threat unless they were prepared to act upon it.

3765. If an Act was passed authorising the Government to put on a countervailing duty, the Government could at once take action if they discovered that any country was giving a bounty surreptitiously?—I think it would be a great advantage that such an Act should be passed.

3766. And it would not be put into operation unless people were giving bounties?—Quite so.

3767. A trade to be prosperous must not always be threatened by dangers?—Certainly not.

3768. You seem to have a difficulty as to the Americans refining in bond, but I cannot see your difficulty; the Louisiana sugar pays no duty?—Quite so.

3769. But they import some sugar from Cuba upon which a heavy duty is paid?—Quite so.

3770. Cuba sugar must sell at the relative value, notwithstanding this heavy duty, to compete with Louisiana sugar?—Quite so.

3771. I presume that the sugar imported from Cuba or any other country to the United States would pay the duty when it was landed?—Yes.

3772. And, therefore, it is as free for consumption as the sugar from Louisiana?—Yes.

3773. And both would go into the refinery upon the same terms?—Yes; the difficulty, I think, is more on the part of the American Government. In the case of the Cuban sugar, the American Government would have received

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a duty, and therefore they would not object to pay a drawback; but they would probably object to pay a drawback upon the Louisiana sugar upon which they would have received no duty.

3774. But it is impossible, is it not, for the American refiners of Louisiana sugar to export at a profit if they are protected at home by a duty of 10*l.* per ton; America must be always the best market for Louisiana sugar?—Certainly, but if you take the case of a refiner refining Louisiana sugar, and then getting the drawback upon it, the American Government would be out of pocket the whole of that drawback.

3775. But would there be any greater loss to the United States Government if they gave a drawback upon Louisiana sugar than if they gave it upon Cuba sugar?—It is conceivable, I think, that there might be.

3776. If the American Government had got the 10*l.* per ton into their pockets upon the Cuba sugar, if it is exported they pay back the 10*l.*?—Quite so.

3777. The grower of Louisiana sugar has got the 10*l.*?—Yes, the grower has.

3778. If he was exporting that do you think that the Government would pay him 10*l.* where they had received nothing?—No.

3779. But they do not grow enough sugar for themselves; they export no Louisiana sugar?—In point of fact, I understand that all these sugars are refined together, and the American Government require a declaration when they give a drawback that no Louisiana sugar has been used; but, inasmuch as the refiners work Louisiana sugar with other sugars, it is probable that Louisiana sugars are exported as much as any other sugars.

3780. It is only with reference to the drawback on sugar exported that you see any difficulty in refining in bond?—The difficulty that I see is a difficulty which I fear the American Government might make.

3781. You were asked whether the countervailing duties which were proposed were not retaliatory duties; that perhaps is a distinction without a difference; retaliatory duties are thought to be injurious to a foreign nation?—That, I think, was the view of the honourable Member who put the question.

3782. But is it not to prevent an injury being done to our own nation that you would wish this countervailing duty to be put on?—Quite so, I think it doubly blesses; it is an advantage to England having the countervailing duty, and it is an advantage to the foreigner, because its effect would be to make him do away with the bounties.

3783. At Question No. 3066, the noble Lord the Member for the West Riding, asked you this question: "Can you form any estimate as to the sum which this bounty costs the Belgian State?" Your answer was, "It does not cost the State anything, because the bounty is entirely paid by the consumers. The State taxes the consumers, and that goes strictly into the pockets of the refiners and the manufacturers." But all the States are made up of people, and the State pays the money, and if they pay money for bounties they must collect other taxes in order to maintain the Government; and, therefore, it is the State that pays?—No, it is not so. The State does not pay the Belgian refiner anything for his *excédant*, but the State frames its laws in such

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such a way as to force the consumers to pay him.

3784. By a duty put upon them?—By duties put upon sugars imported, and by drawbacks. The effect of the law is, that the consumer is bound to buy his sugar from the Belgian refiner, and, practically, he has to pay him the tax which the Belgian Government places upon any other sugars coming in.

3785. You do not consider that, in advocating this countervailing duty, you are at all opposing the principles of free trade?—On the contrary, I conceive that it is carrying them out.

3786. The principles of free trade, or the theory of free trade, is that each nation should exchange with others all commodities which they produce by agriculture or manufacture, without duties or taxes of any kind, each country having its own natural advantages, which will enable it to succeed, or otherwise, in various branches of agriculture or manufacture?—Quite so; that would be perfectly free trade.

3787. And you have no desire to oppose that principle?—Not at all.

3788. If any country can grow sugar from beetroot, or cane, cheaper than you can in the West Indies, or elsewhere, you have no objection that they should have all the advantages that they naturally possess?—Clearly.

3789. But a bounty upon any product you consider upsets the principle of free trade, by giving an artificial advantage, and is not a fair and legitimate competition?—Quite so; it drives production out of the channels in which it would run if trade were perfectly free, and it drives the production into channels in which it certainly would not run if trade were free. For instance, the sugar in this case is grown, not where it can be naturally grown the cheapest, but where the Government gives the largest amount of bounty.

3790. At present the consumers of sugar in this country are deriving a small advantage in price from this unhealthy and unnatural competition?—Quite so.

3791. But our Colonies, and other sugar cane-growing countries, are rapidly being ruined by this unnatural competition?—That is so.

3792. We have evidence that the West Indies are perfectly stationary in their production, and I suppose that the Mauritius and Java are suffering quite as much as the West Indies?—I imagine so.

3793. Then we have what was a great industry in this country employing thousands of workpeople, and a very large sum of money, one branch of which is already ruined, the loaf sugar refiners; and the moist sugar refiners are just in that state that they might possibly be advised also to give up their business?—Quite so.

3794. And you think that it is the duty of all Governments, but especially of Governments that have adopted the principles of free trade, jealously to guard against the destruction of our industries by this false system of granting bounties as has been done for so many years to foreign manufacturers?—Yes, I do, certainly.

3795. And you think that the Government ought to legislate at once upon this subject?—I do.

3796. You fear the worst results, if that is not done immediately, from the state of the trade?—Yes.

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3797. And you think that if that day came, which you dread will come soon, instead of the people of this country deriving the advantage of cheaper sugar, the Continent of Europe having a monopoly of the sugar market of the world, would raise the price of sugar above what it might have been had the West Indies and other growers of cane sugar been allowed to exist?—Quite so; I think it would raise the price above what it would be under the fair system of free trade.

3798. And this is only a temporary advantage from unnatural subsidies, but permanently it will be injurious to this country?—Clearly; I think so.

Mr. Eugene Collins.

3799. With regard to the sugar industries of the West Indies, is it not rather too strong a term to say that they are altogether ruined by the present condition of things?—I think that the expression was that they were being ruined by the present state of things.

3800. Do you think that the expression being "altogether ruined" would be a correct expression to apply?—They are undergoing the process of being ruined, I consider.

3801. In the case of your own large property, the capital is 590,000 £, I think?—Yes.

3802. Last year you paid, I think, 3½ per cent.?—Yes.

3803. And the year previously 5 per cent.?—Yes.

3804. And the year previously to that 1½ per cent., I think?—Yes.

3805. And somewhere about 1 or 1½ per cent. previously to that again?—Yes.

3806. Is not that a progressive condition of things as regards your company?—No; I think quite the reverse. If you go back beyond 1872 you will find that we were paying 8 per cent., and the reason why we paid 5 per cent. in 1877 was owing to the failure of the beetroot crop. If we could rely upon the failure of the beetroot crop every year, I have no doubt that we should have a progressive state of things.

3807. Within your own knowledge are there any estates under cultivation in the West Indies that are at present paying as much as 5 per cent. upon the capital expended upon them in the working of the estates?—There may be possibly some in Barbadoes, but I do not think that there would be any in any other part of the West Indies at present prices.

3808. Do you think that there are any estates being worked at present that pay as much as 8 or 10 per cent.?—I do not think so this year.

3809. Were there any last year?—It is quite possible that there were, if you take very small estates, in exceptional circumstances; but I do not think that, speaking generally, in any colony it would be so.

3810. How would you class small estates, according to their production, say, in hogsheads?—Anything under 500 hogsheads I should call a small estate.

3811. And your observation would apply only to those?—What I mean is, that here and there there is a small estate that has exceptional facilities, and I think you might possibly find that they had made an exceptional profit.

3812. If you were credibly informed that there are estates in the British West Indian Colonies

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Colonies producing from 1,500 hogsheads to 2,000 hogsheads a year that have paid, we will say last year 8 or 10 per cent., would you doubt the statement, or would you be disposed to attach any credence to it?—I should rather doubt the statement. I do not mean to say that there are not possibly one or two, but I rather doubt it.

3813. You think it is possible that there may be a few estates producing between 1,500 and 2,000 hogsheads a year paying 8 or 10 per cent.?—Yes; and I should like to give my reason. I think that in all probability if there are any such estates, they are situated in the colony of British Guiana, where there are large estates. Last year we had an unprecedented drought in that colony; that drought did not affect all estates equally, but it considerably reduced the quantity of fine crystallised Demerara sugar; and, consequently, we have had very fine prices for crystallised Demerara sugar. I showed you last week a sample that we were expecting to sell at 30s. per cwt.; that is a very fine price for sugar. You will easily understand that some few estates exceptionally situated in the colony have had nothing to complain of in the last year; but if you take the colony all round you will find a very different state of things, though I should be quite prepared to hear that there might be two or three estates which have made a fair profit.

3814. With a countervailing duty of 3 l. per ton, for instance, on the production of your own estates, assuming, as you have stated in evidence, that the production is something like 15,000 tons a year, that would give you an increased profit of 45,000 l., would it not?—No, I do not think it would quite, because I think that if the 3 l. entirely did away with all sugar coming here under a bounty, still the effect of the bounty has only been to reduce the prices of sugar hitherto about 2 l. below the free trade level, so that we should only benefit to the extent of 2 l. per ton. The import into England is 800,000 tons, but only 300,000 tons of that comes in under bounty.

3815. We will assume that it gives a return in increased price of 2 l. per ton; that would be 30,000 l. a year?—Yes.

3816. That, on your capital of about 600,000 l., would give you a return of five per cent. per annum, would it not?—Quite so.

3817. You would derive that benefit from the imposition of this countervailing duty?—Yes.

3818. Having in view the possibility that some estates were last year paying as much as eight or 10 per cent., if you add to that the five per cent. which we are now speaking about, it would give them a return on their capital of 13 to 15 per cent. per annum, would it not?—I do not think it would do anything of the kind, because the estates that you mean were not practically affected by the bounties at all. They are producing a class of sugar which, as I have already said, is a fancy article, and that fancy article was reduced in quantity by their having been an unusual season in the colony where it is produced; so that that sugar was probably selling at 2 l. or 3 l. per ton above, instead of 2 l. or 3 l. per ton below, the free-trade level.

3819. I have no doubt that you would agree that if a bounty such as that which we refer to, an increased rate of 2 l. per ton, gave a return of something like 13 per cent., it would not be altogether fair towards the consumers in this

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country to impose a tax which they would have to pay in the shape of a farthing per pound, the effect being to increase the profits of some of the growers in the West Indies to the extent of five per cent., making their profits altogether 13 per cent.?—I am afraid that I cannot agree with you that a countervailing duty of 2 l. per ton would have the effect of increasing the profits in the West Indies up to 13 per cent. per annum; but, secondly, I do not think that the consumer has anything to do with the profit which any individual producer or manufacturer may make. If the consumer can get what he is consuming at the free trade price of the world, I think that he ought to be perfectly satisfied. That is free trade; if he wants something more than that, it is not free trade. Then you would require laws that whenever profits exceed five per cent., there should be a tax upon the excess, which, of course, never could be carried out.

3820. With regard to the suggestion that a condition of ruin was being brought upon the sugar growers of the West Indies by the present condition of things, is it possible that, by the application of increased capital, or we will say by improved processes and machinery, or by the other means that intelligence and enterprise introduce into other industries that are suffering very much at present, or by economies of various kinds, the condition of the growers in the West Indies might be improved to any extent?—No, I do not think so at all. At the present price of sugar any increase of outlay would be a certain loss; any increased quantity of sugar that you might get for it would never pay interest on the capital that you would have to lay out.

3821. We have had it in evidence, that the value of some of the sugar-growing land in the West Indies, in fact, stood very high, as we should consider it?—In Barbadoes.

3822. The value of land in Barbadoes was stated to be something like 100 l. per acre; it is not so throughout the other Colonies; but I should like to ask whether it is the fact that estates are so incumbered in Barbadoes and other parts of the West Indies, as to impose obligations or charges upon the land from which, if the land were freed cultivation, would be enabled to go on much more freely and more economically?—I do not think that is the case in the way you have put it. It is the case that many estates in Barbadoes are incumbered; it has been the habit for a very considerable number of years, at any rate, for proprietors, for instance, to leave certain charges upon their estates, such as marriage settlements, so that many estates in Barbadoes have perhaps four, five, or six mortgages upon them. A Barbadoes estate has always been looked upon as such a certain property, that you could always borrow money upon it at five per cent.

3823. Does that, or does it not, in your opinion, militate against the economical management of those properties in the way of sugar production?—It operates in this way: that anybody who has to carry on a manufacture or production, and has to borrow money to do it, has to pay interest for that money. A man who works with his own capital does not pay interest on it; but then, unless he is paying himself a fair rate of interest, he does not consider that his manufacture is profitable.

3824. Is there any similarity between the condition

Mr. Eugene Collins—continued.

dition of things in the West Indies in that respect, in the way of incumbrances, and the condition of things which existed in Ireland previously to the change in the law under which the properties were sold under the Incumbent Estates Act. In that case I need not tell you that the incumbrances on property made the management of the property so difficult to the incumbent owners, that they operated to prevent their tenants getting such terms as would enable them to cultivate the land with any degree of advantage to themselves, or benefit to the country; is there any such condition of things as affecting producers in the West Indies, arising from a somewhat similar cause?—Certainly not.

3825. Upon the point of this 3*l.* per ton bounty, as applicable to the beet-growing countries of Europe, that is to say, France, Austria, Germany, Holland, and Belgium, you will excuse me for suggesting that I do not think you were very clear upon that subject, because you seemed to hesitate when you came to the suggestion of applying a countervailing duty of 3*l.* as against a supposed bounty of 3*l.* in the case of France. As I take it, you were quite clear that a countervailing duty of 3*l.* would not, in fact, suffice to remedy the evil in the case of Austria. But again, in the case of Holland and Belgium, you had a considerable amount of doubt, as it occurred to me. Now the question I would ask you is this: whether you are sufficiently clear, in your mind, on the subject of this general duty of 3*l.* to be applied to those five countries to be able to suggest that legislation should be attempted by our Government on the subject, so that, by one proposal, they would ask the Government to impose a countervailing duty upon those five countries; would you recommend that the Government should introduce a proposal of that kind?—No, certainly not; I think that, if the Government introduced a proposal that a part of the duty should be left to be fixed by an Order in Council, or some other authority, and that the Council should then satisfy themselves as to what would be a fair amount, that would meet the case. I am inclined to think that 3*l.* would be too high in the case of France, and France was not much in my mind when I originally named 3*l.*; 3*l.* was named by Mr. Walpole, but very much with the knowledge that France was prepared to make a Convention with us, and that, therefore, the duty would only operate as against some other countries who were actually giving more.

3826. If some of your answers upon that subject would bear that construction (and clearly they would) would you wish to correct them by supplementing the answers that you have given previously by the answer that you have given now?—Yes, I think I did so. I think Lord Frederick Cavendish asked me a question with regard to raw sugar from France which brought it out very clearly that I certainly did not propose that any countervailing duty should be put upon sugar which had not previously received a bounty to fully the same extent.

3827. That is to say, you would not propose that our Government should, by legislation, attempt to introduce one uniform countervailing duty of 3*l.* per ton to apply to those five countries?—No, I think that if any measure was passed by the House of Commons, the amount should be left open.

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Mr. Eugene Collins—continued.

3828. And you qualify it by the answer you have just given, that that should be left to be decided, either by an Order in Council, or by such other means as might be considered desirable for the purpose of arriving at a correct estimate of what the respective countervailing duties ought to be?—Yes.

Chairman.

3829. You would be satisfied, I understand, by this Committee reporting favourably upon the principle of countervailing duty, leaving the amount to be afterwards fixed?—Clearly.

3830. Something was said by the honourable Member for Kinsale upon the question of dividends payable upon sugar estates; I suppose you would not contend that, because a company on free trade terms was paying a dividend of 10 per cent., they should have a tax put upon them?—No, I think it would be contrary to our principles.

3831. As to the fact of a moderately large dividend having been paid upon an estate last year, I would ask you with reference to the 3½ per cent. which you paid last year, whether that 3½ per cent. was not paid out of the money earned in the previous year, in which you obtained largely increased prices for your sugar, in consequence of the failure of the beetroot crop?—It was paid partly from that. We did make a profit in the year, but the profit itself, I think, if I remember rightly, would not have paid the dividend. We carried over a large sum the preceding year.

3832. What is the difference between the price that you are obtaining for your sugar now, and the price that you obtained for your sugar last year?—I suppose on Muscovado the difference is nearly 4*l.* per ton.

3833. That is the difference between the price of sugar last year and the price this year?—I should think it is nearly that; I am speaking from recollection.

3834. Would that also hold good with reference to other estates of which the honourable Member has spoken?—No; I explained that if he was speaking of Demerara estates it would not hold good.

3835. But speaking of your estates, it would hold good?—No, because the greater proportion of our own production is Demerara production, but we have unfortunately suffered from drought on some estates, not equally on all the estates; but taking them all round, there will be a heavy loss, but one of the estates which has not been seriously affected by the drought will leave a profit.

3836. Then I may take it that it does not follow that, because you paid 3½ per cent. last year, you would be able to pay 3½ per cent. now?—No.

3837. Is it not the case now that the American refiner has to declare that the sugar he exports is not made of duty free Louisiana sugar?—Yes, I believe it is so.

3838. If he makes a false declaration, of course it is a loss to the Government?—I do not think it is a loss to the Government in the present state of things, because, whether the actual sugar is Louisiana or Cuban sugar, does not make any difference to them, the amount of the exported sugar is so small compared to the amount of the imported duty paid sugar.

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3839. Surely

Mr.
Lubbock.

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Mr.
Lubbock.

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Chairman—continued.

3839. Surely if he gets a drawback of duty which he has never paid at all, as would practically be the case in Louisiana sugar, it must be a loss to the Treasury, must it not?—I do not think so. For instance, if you take 1,000 tons of sugar you may have paid duty on 1,000 tons, and if you export 150 tons it does not matter to the American Government whether it is 150 tons of Louisiana sugar or 150 tons of Cuban sugar. Of course if the Louisiana crop increased so largely as nearly to supply the whole of their wants it might make a very considerable difference. In the present state of things I do not think it does.

3840. In case of refining in bond being adopted in America, that would prevent the loss to the Treasury, would it not?—Yes.

3841. And, therefore, it would be a safeguard to the Treasury?—Yes. I should like to read to the Committee some letters which the Colonial Office have been good enough to send to us at our request from two of the governors. The first is from Sir Anthony Musgrave from Jamaica, and in that Despatch he says, "In fact the true difficulty of the sugar planters is not now a labour question, nor one from which Jamaica alone suffers. If prices of produce had remained even at the rates which prevailed two years ago little complaint would have been heard as to the arrangements now proposed." (I do not quite know what those arrangements were.) "But it is almost impossible for any British colony at any rate of wages to compete with the foreign producers at recent prices, when bounty sustained French refined sugar is admitted into the chief market of the world on equal terms with English unprotected products. This is an anomalous outcome of free trade, and I for one certainly cannot see the impropriety of neutralising this inequitable effect and re-establishing the true principles of unrestricted exchange by the imposition upon all sugar known to receive bounty of an amount of duty equal to the amount of artificial assistance which it thus enjoys."

Mr. Courtney.

3842. Are you aware that Sir Anthony Musgrave is a writer on political economy?—No, I am not aware of that.

3843. You are not aware that he has written a book called "Fallacies of Political Economy," and that he has convicted Mr. Mill of several gross errors?—I am not aware of that. The other letter is from Lieutenant Governor Dundas, from Barbadoes, to Sir Michael Hicks Beach, and it is as follows: "Sir,—With reference to my Despatch, No. 11, of even date, you will perceive from my acknowledgment of the reply of the House of Assembly to my speech on opening the present Session, that I have undertaken to draw your attention to the effects upon this island of the foreign sugar bounty system. I am fully aware of the general difficulty of the question, as well as of the efforts which have been made by Her Majesty's Government at different times to have it settled upon a footing satisfactory to the different interests concerned, but there can be no doubt that with the present low prices of

Mr. Courtney—continued.

sugar, foreign bounties on the trade affect Barbadoes injuriously. In my Despatch, No. 148, of the 12th ultimo, I laid before you a message from the House of Assembly on the subject." I have here the reply of the Legislative Council of Barbadoes to the Governor's message on the opening of the legislative Session 1878-9, in which they say: "The House agree with your Excellency that the expected large crop of the colony is a subject for congratulation, but they cannot hide from your Excellency the fact that notwithstanding the large crop the agricultural prospects of the island are far from satisfactory. The system of bounties given by foreign nations on the export of refined sugars, if continued, will, they fear, compel many of the present proprietors of the soil to either place their estates in chancery, or to allow them to be placed there by their creditors. Your Excellency could not show more advantageously that deep interest in the welfare of the colony which they are convinced you entertain, than by pressing on the attention of the Secretary for the Colonies the consideration of the evil effects to this island, and to the other sugar producing dependencies of Great Britain of the foreign export bounties, for no private industry can possibly compete with the same industry assisted by Government aid." This is the covering Despatch from Mr. Wingfield: "Sir,—In compliance with the request contained in your letter of the 20th instant, I am directed by the Secretary of State for the Colonies to transmit to you copies of the Despatch from the Governor of Jamaica, dated the 8th of April, 1878, and of two Despatches from the Governor of Barbadoes, dated the 22nd of January. In laying these documents before the Select Committee on Sugar Industries, now sitting, the West India Committee will, of course, state that Sir M. E. Hicks Beach has furnished them in consequence of your application."

Chairman.

3844. With reference to a question which was asked you, supposing that there was a countervailing duty of 3*l.* per ton on raw and refined sugar, it does not at all follow, does it, that you would get 3*l.* per ton more for your cane sugar here?—No.

3845. There would be the competition in the sugar-growing districts themselves, and there also would be the competition of French and Austrian beet sugars, would there not?—Quite so; I think that if it did neutralise the bounties it would restore the price of sugar to the free trade level, and my impression is that that would be about 2*l.* per ton beyond what it has been on the average of the last six or seven years.

3846. At any rate there would be free competition with your cane grown sugar?—Quite so.

3847. And there might possibly be competition of English and Irish grown beet with your cane sugar?—Yes.

3848. So that it does not follow that even with the countervailing duty, the price would be 3*l.* higher?—Quite so; there would only be 300,000 tons affected by it, out of a total import of 800,000 tons.

Mr. QUINTIN HOGG, called in; and Examined.

Chairman.

3849. I BELIEVE you are a merchant connected with the West Indies?—Yes.

3850. What experience have you had of the West Indies?—I have had 14 years experience; I have visited them nearly every year for the last 10 years.

3851. When you visited them have you remained in them any time?—From three to six months upon each occasion.

3852. Have your visits been confined to any particular island, or have they extended generally over the West Indies?—I have been to nearly all the islands, but I have resided for the greatest portion of my time in Demerara.

3853. I believe you have sugar estates of your own?—Yes, I believe I am the largest private West India sugar producer in Great Britain.

3854. What has been the condition of British Guiana and Trinidad until recently?—Up to the last few years they were getting on exceedingly well. We have got the labour question fairly settled, and there was every appearance of a fair trade being done.

3855. Did their exports increase?—The exports increased very largely. I will take the two principle ones, Demerara and Trinidad. In 1865 the exports of Demerara were 2,000,000 *l.* sterling; and in 1876 they were 3,000,000 *l.* The exports of Trinidad increased in the same period from 820,000 *l.* to 1,600,000 *l.*; but from that last figure you must deduct about 400,000 *l.* specie, which came in and went out. That was between 1865 and 1876.

3856. Was the increase gradual from year to year during that period?—Yes, I think it went on steadily up to about 1871 and 1872, when it got rather less. It has only been absolutely checked during the last two years, when there has been rather a retrogression; a general abandonment of estates has already begun all over the West Indies; I am acquainted with several myself, in nearly every colony in the West Indies, that have gone out of cultivation in the last year or two. There had been no abandonments up to 1876 to any extent.

3857. When did the diminished production commence?—I think every one began to draw in their horns about 1872; they began to feel the pinch, and it has been becoming very severe during the last few years.

3858. And it is during the last few years that you have known of estates having gone out of cultivation?—Yes, mainly.

3859. In consequence of proprietors not being able to grow sugar at a profit?—Quite so.

Mr. Onslow.

3860. Do these figures which you have given us apply to the total exports, or to sugar only?—They represent almost the entire export from British Guiana, and they represent three-fourths of the total exports from Trinidad.

Chairman.

3861. Can you give us the exports of sugar alone?—I think I can. In Trinidad the sugar cultivation in 1865 was 62,000,000 lbs. weight, say, 27,600 tons; and in 1876 it was 114,000,000 lbs. weight, nearly 59,000 tons. From Demerara the sugar has increased from 0.104.

Chairman—continued.

Mr. Hogg.

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1,690,000 *l.* sterling in 1865, to 2,400,000 *l.* sterling in 1876. There were 86,000 hogsheads in 1865, and there were 120,000 hogsheads in 1876.

3862. Have you any more recent returns?—I have no official returns since then.

3863. And you cannot speak as to the position of things last year?—Yes, last year you may take it that the export from Demerara was between 80,000 and 90,000 hogsheads.

3864. How many hogsheads would one hundred and fourteen million lbs. represent?—You may take a hogshead, speaking roughly, to be from 16 to 17 cwt. or thereabouts, so that it would be about 65,000 hogsheads if I recollect rightly. The export from Demerara was last year exceptionally affected by a drought.

3865. From your experience has the export from Demerara and Trinidad remained about stationary since 1876, or has it increased or decreased?—There is rather a tendency to decrease; I could name five or six estates that have gone out of cultivation in Demerara, and quite as many in Jamaica in the last two or three years.

3866. In your opinion, has that been owing to the low price of raw sugar in consequence of the bounty on beetroot sugar?—I believe it has been solely owing to that.

3867. You consider that you are perfectly able to compete on even terms with the Continent, or with any sugar-growing colony?—We think that as far as the Continent is concerned, the fact of the bounty proves that for us. If we were not able to compete, why put on the bounty? We believe we are fully able to compete with foreign cane-growing countries.

3868. Do you believe that the British West Indies could supply the whole of the raw sugar that is wanted, if necessary?—I think Demerara alone could supply the consumption of this country.

3869. Do you believe that the effect of putting a stop to bounties would be largely to increase the growth of cane sugar?—There cannot be a doubt of it, I think.

3870. I suppose you have no hesitation in saying that you believe that, upon equal terms, cane sugar can be grown as cheaply as beet sugar?—Yes, that is beyond question also.

3871. Does an acre of land under cane cultivation produce a greater weight of sugar than an acre of beet?—It produces a very great deal more; you may take it that an acre of roots will produce about 15 tons to the acre at the outside. In Demerara we grow 30 tons of cane to the acre, and our canes are just twice as rich in saccharine matter as their roots, so that you get in saccharine matter four times as much in the acre in Demerara as you would get in France. In rough figures, an acre will produce four times as much crystallisable sugar in Demerara as in France; 30 tons of cane will give about 25 tons of juice, containing from 15 to 18 per cent. of crystallisable sugar.

3872. No doubt the bounty is a serious injury to the cane sugar-growing colonies?—I think it is a very serious injury.

3873. But is there not an equivalent advantage at least at present to the consumer?—No, I think

Mr. Hogg.

Chairman—continued.

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think the consumers suffer quite as much as the West Indies suffer, or at any rate they suffer very considerably.

3874. It has been stated, that they gain a farthing per lb. by the bounty; do you agree with that?—I should put a farthing per lb. as about the gain of the consumer at the present moment. Then I should like to put before the Committee the fact, that these inhabitants of the West Indies are British citizens. For the farthing per lb. the consumers here gain, those inhabitants lose 6,000,000 *l.* sterling of wages which would otherwise be spent there, but which is now spent among the foreign countries. There is the shipping trade bringing 300,000 tons of sugar which is entirely lost to this country. You may say that the average freight from the West Indies here, is from 2 *l.* to 2 *l.* 10 *s.* per ton, and the average freight from the Continent here is about 6 *s.* per ton; then there is the loss to other British industries which have already been spoken of by Mr. Peters, such as coopers, and so forth, all of whom are thrown out of employment for the sake of this farthing per lb.

3875. Then you maintain that it would give employment to a large tonnage?—It would employ a large number of our ships, and it directly cuts off 6,000,000 *l.* of wages. Then there is another profit which is lost to this country. Most of the proprietors of the sugar estates are resident here, and the fair profit between the cost of production and what the sugar sold for would be spent in this country, and would therefore add to the purchasing power of this country; so that we lose the whole of that for the sake of a farthing per pound.

3876. The money would be spent here instead of giving it to other countries to spend?—Yes.

3877. What remedy would you propose for putting an end to the system which is injuring you so much?—Broadly, our objection is this: that we object to being taxed by Austria for the benefit of the sugar consumers, and we propose, if those nations are kind enough to make us a present of this money, to gather it in at the out-ports. Let the taxpayer reap the benefit of it, and do not tax any one party in this country for the benefit of another.

3878. Then, if a countervailing duty was necessary, you contend that it would be collected and distributed over the general body of the taxpayers?—Certainly it would.

3879. And so, of course, it would assist the general revenue?—Yes, and if beetroot sugar could fairly be grown at the same price as cane sugar, beet sugar would still continue to come to this country in spite of the countervailing duty.

3880. In fact it would only put all countries and all kinds of cultivation upon the same level of competition?—Yes; and then the zone which could produce sugar cheapest, would send its sugar to this country.

3881. So that it would not necessarily follow that a countervailing duty of 3 *l.* per ton would raise the price of sugar 3 *l.* per ton?—It would raise it to a certain extent, no doubt; if it did not raise it, it would do us no good.

3882. You consider, I imagine, that the British West Indies have a special claim on the consideration of the Imperial Government?—We think we have special claims for several reasons. In the first place, the essence of our

Chairman—continued.

trouble is, that we are British subjects, and I will explain to you my reasons why our grievance lies in that. It is a very serious grievance to the inhabitants of the West Indies at the present moment. If any foreign country such as the Americans come to us and say, "Well, make a treaty with us; we will let your sugar in free, and you give us similar advantages in your ports." "No," the Government say at once, "You must not do that; you are British subjects; and you must not take this right of making a treaty into your own hands." That practically means, "You shall send your sugar home to London," because the American Government levy a 10 *l.* duty on our sugar. We come to London, and we find that we are in effect taxed 3 *l.* per ton, whilst Austrian sugar comes in free; for, as far as the West Indian producer goes, that is the effect upon him of allowing Austrian bounty-fed sugar to come into this country. I may mention that, when I was in Demerara last winter, I had an inquiry made of me by the American consul through a third party to know how Demerara would look upon a treaty with the United States. It was not made directly by the American consul, but through a friend of his. He said that Cuba would not suit them, because the large duty that the American Government got from tobacco would be jeopardised if they made a commercial treaty with Cuba; that they would be very glad to make a commercial treaty with Demerara the same as they made with the Sandwich Islands (the Sandwich Islands sugar comes in under a protective duty of 10 *l.* per ton); all that they would ask us would be to let their goods in as against Manchester and other English goods. A very small duty at this moment, almost a nominal duty, would turn the scale between American and English cotton goods. In Jamaica I should think that one-third of the cotton goods are American already. In Demerara the prices of American and English cotton goods are almost on a level, and a very small duty would completely shut out English cottons. The Americans say to us, "Give us this advantage, and we will give you a corresponding advantage in sugar;" but we are not allowed to avail ourselves of these advantages because we are British subjects.

3883. If a very small duty would shut out English goods, is it not probable that the time will very soon arrive, without any treaty with America, in which American cotton goods will come into Demerara instead of English?—I am not a cotton manufacturer, and I cannot say what the prospects of the two trades are. I can only say that in effect there is very little difference at the present moment in the price of English and American cottons in the West Indies.

3884. But you have reason to believe that if you could act simply in your interests, America would be prepared to give you facilities for sending your sugar in there, and so rendering a trade, which is not prosperous, exceedingly prosperous?—They would put us on exactly the same footing as Louisiana.

3885. That, of course, would add very much to the value of the estates there?—It would add enormously both to the value of the estates and to the prosperity of the colony for the time being at any rate.

3886. What

Chairman—continued.

3886. What you ask the English Government to do is simply to take steps in order to have that tax taken off you which is now imposed upon you by foreign Governments?—That is what we ask. We ask to be brought in here on the same terms as the Austrians, which we are not.

3887. Do you believe that if this equality were established, it would add largely to the prosperity of the West Indian Islands?—I believe the West Indian Colonies are fully able to compete with the Continent on equal terms. I believe the growth of cane would increase gradually and steadily, as it was doing some years before 1872; there was a steady increase all through the West Indies then, and in Demerara especially, fresh estates were put into cultivation.

3888. The natural result of their sending more sugar here would be, that they would take more manufactured goods from us?—It would, certainly. Demerara has been a very good customer to this country; in machinery alone it has taken a million and a quarter sterling in the last 20 years.

3889. Has the importation of machinery from England fallen off much of late years?—I should imagine that there is very little machinery going out now; I can only say, speaking personally, that we are not sending out a single piece of any sort.

3890. All improvements have been stopped in consequence of the uncertain state of the sugar industry?—Yes, and I think that word "uncertainty" which you use, very well represents our present position. We do not know what bounty may be given next; one time it is raw sugar and the next time it is refined sugar, and we do not know what branch of the trade may next be attacked, and what proportion of our capital is safe, or the reverse.

3891. May I take it that the sugar plantations which are now in existence are merely existing, and not flourishing?—Yes, you may certainly take that as a broad statement affecting the West Indies generally.

3892. Was there any treaty proposed between Barbadoes and Canada?—Yes; I believe some 10 or 12 years ago Canada wanted to make a kind of reciprocity treaty with Barbadoes; and that was disallowed by the Home Government on the ground that the colonies have no right to make treaties themselves; and it is partly on that ground, because we have no right or means of helping ourselves, that we now come to Parliament and ask them to put us on an equal footing with foreigners.

Mr. Courtney.

3893. How far did those negotiations go?—I think the draft of the treaty was sent home by the Colonial Government from Barbadoes; but I speak from recollection entirely.

Mr. Orr Ewing.

3894. In what year was that?—About 1864 or 1865.

Mr. Courtney.

3895. Have any Canadian delegates been in Barbadoes?—Yes, Canadian delegates have been over there.

3896. Do you know their names?—I could get their names.

Mr. Orr Ewing.

3897. Could you get a copy of the treaty?—I daresay that would be possible.

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3898. What, in your opinion, would be the effect of this Committee separating without recommending any steps to be taken to put an end to these bounties?—I think it might have various effects in different colonies. I do not think it would mean the abandonment of cultivation, for instance, in Barbadoes, or in some of the better estates in St. Kitts where they can grow sugar perhaps than in any place in the world. In Trinidad and Demerara, I agree with Mr. Lubbock, that there might be a very strong agitation for annexation to the United States.

3899. But supposing that could not be carried out, would there very likely be a falling off in the growth of sugar?—I think there certainly would be. I think that in, say 10 years, quite half of the production of the West Indies would be knocked on the head altogether.

3900. And the estates abandoned?—I should think entirely abandoned; in fact it has already begun. I do not think I should be outside the mark if I stated that nearly 50 estates are in the course of abandonment now. I could not give the names of so many.

Mr. Courtney.

3901. Where?—I think in nearly every colony in the West Indies.

3902. You mean collectively?—I think about 50 have come under my own knowledge, principally in Jamaica, because the estates there are smaller. When I landed in Jamaica about six or eight months ago, so far as my recollection goes, 26 estates were advertised for sale without any buyer. I was instructed last year myself by Lord Penrhyn to abandon one of his estates; and I am aware of several other estates now in course of abandonment.

Chairman.

3903. When an estate is offered for sale it finds no purchaser?—No, you can generally get very little more than the value of the cattle upon it, and perhaps a portion of the growing crop.

Mr. Orr Ewing.

3904. Nothing for the machinery?—Nothing at all; it is worthless.

Mr. Onslow.

3905. Do you, as a proprietor, pay any rent for land out there?—No, all my own estates are freeholds; there are a few cases of rent; but not three per cent. of the estates in the West Indies are rented, I should think.

Chairman.

3906. Is there any other matter that you wish to put before the Committee?—I think the other matters have been touched upon by Mr. Lubbock in almost every case; and I do not want to go over the same ground as Mr. Lubbock has gone over. I think I may put forward this diagram which has been drawn out for me by a friend of mine (*producing a diagram*). It shows the proportions of English sugar, slave-grown sugar, and beet sugar introduced as an average between 1852 and 1861; then the actual ratio in 1878, and what the ratio would have been if the average between 1852 and 1861 had been kept up. It shows that, so far from our getting a fair share of the increase we have actually fallen off.

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3907. I think

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Mr. Alexander Brown.

3907. I think you explained just now that the sugar estates being largely owned in England the profits would come to this country if the sugar industry was a flourishing one?—I do not quite understand the question.

3908. You said that you regarded it as an element in the matter that the owners of the estates were English people?—I think I mentioned that as part of the loss which the British consumer of sugar suffered as a set off against his farthing per pound advantage in cheap sugar.

3909. But as a matter of fact the owners of the sugar estates are British subjects, are they not?—Yes.

3910. And they reside, a great many of them, in this country?—They reside principally in this country.

3911. Consequently any profits on the sugar industries that come into this country would be spent here?—All but what was spent in improving the estates, which has always represented a large amount in the West Indian Colonies.

3912. It would go into the pockets of the owners of those estates, would it not?—If the estates were doing well wages would rule higher, and it would go a good deal into the pockets of the people resident out there. It is only the net profits that would come into the pocket of the proprietors.

3913. There would be a certain amount of profit coming to this country?—There would be a certain amount of profit coming to this country.

3914. And that would go into the hands of the owners of the estates?—It would go into the hands of men who ran the risk of growing the crops.

3915. But the present position of affairs is this, that by the fact that the Austrian bounty has made sugar cheaper the working classes of this country get sugar cheaper?—The working classes of this country get sugar a farthing per pound cheaper, but the working classes, equally of this country, who reside in the West Indies lose six millions sterling in wages.

3916. But as a matter of fact, there being more working classes in this country than there are in the West Indies, their case must be considered?—Yes; but on the other hand there are a much larger number to share the benefit of the farthing per pound than there would be to share the 6,000,000 *l.* of wages; so that in the former case the benefit per head would be much smaller.

3917. The effect of putting on a countervailing duty would be to increase the cost of sugar 2*l.* per ton, would it not?—Yes, it would increase the price of sugar to that price at which it could be grown.

3918. Which would be taken out of the pockets of the working classes of this country?—There I would join issue. As I explained, the working classes in this country are themselves great sufferers, because the sellers are part of the working classes in this country.

3919. I will take the consumers of this country?—The sellers consume sugar too.

3920. But the great bulk of the consumers are not sellers?—No; but there are a large number of the working classes of this country who directly suffer.

3921. Is it not the fact that the working classes of this country get their sugar 2*l.* per ton cheaper than they would get it if there were a

Mr. Alexander Brown—continued.

countervailing duty?—At the present moment they do.

3922. Then you would charge them 2*l.* per ton for the benefit of certain proprietors of estates in the West Indies?—No, I should not at all. Our point is this, that we, belonging to a part of the world which can produce sugar cheaper than any other part of the world, claim to be allowed to do so. We are being killed out for the benefit of a part of the world which cannot produce sugar at an equal rate with us.

3923. That is not the question; I asked you whether or not if you put on a countervailing duty of, say, 2*l.* per ton, that would cause the sugar consumers of this country to have to pay more for their sugar?—Yes; and by that they would ensure a permanent cheap supply.

3924. But would it have that effect, or not?—It would certainly have the effect of raising sugar to its normal free trade price.

3925. And that benefit would go into the hands of certain manufacturers in the West Indies?—Not entirely; it would go to the inhabitants of the West Indian Colonies.

3926. You would make the cost of sugar higher in this country, the profits of which would go into the hands of certain proprietors of sugar estates in tropical countries?—That would be an incidental effect no doubt.

Mr. Orr Ewing.

3927. But the proprietors of sugar estates would not be the only people who would get the benefit of it?—No, I have been trying to explain that they would not.

3928. More people would be employed in this country and in the colonies, and at higher wages?—There would be a very large number of extra people employed here and in the West Indies.

Mr. Alexander Brown.

3929. You say that the West Indies have special claims for consideration; on what grounds?—Mr. Lubbock in his evidence narrated the events which took place when slave-grown sugar was allowed in this country, and Sir Robert Peel distinctly stated that he voted for it simply for the benefit of the English Parliamentary interests, and not by any means as a matter of abstract justice. We think that we have had a very hard struggle, and just as we are getting now straight upon our legs, to find ourselves precluded by an additional duty from the only market open to us is a very hard case indeed. We also think that the labouring classes in the West Indies ought to have the same consideration shown them as the labouring classes here.

3930. The abolition of slavery was a matter which the English taxpayers have to pay, rightly or wrongly?—They would pay it as a matter of insurance to ensure a cheap supply of sugar; you must pay for insurance.

3931. But the money paid for the abolition of slavery in the British Colonies was paid by the British taxpayers; rightly or wrongly we did something which we believed to be a benefit to the colony?—I think that the English people acted splendidly on that occasion, but the amount of money paid was an infinitesimal amount compared with the amount of property confiscated.

3932. You spoke of the fact that American cottons are largely found in Jamaica, and I understood

Mr. Alexander Brown—continued.

stood you to say that it is possible that they might be found in Demerara?—The point that I wanted to bring out was this; that the Americans were anxious to get their goods into our market, and that on condition of our rendering that possible for them, they would put us in the same condition as Louisiana; and I mentioned incidentally that no very great tax would be required for that purpose, because American cottons were very slightly higher, if at all higher, than English cottons.

3933. That is to say, that the Americans would take your sugar, provided that they could get their cotton into Demerara?—Yes, it would be a monopoly almost, because it would mean shutting out English cotton.

3934. You say that it is a very hard case that such an arrangement should not be allowed by the British Government?—I do not think I stated that it was a hard case; I think I stated it as a reason for special consideration from the Government. We are able to make no provision, good or bad, for ourselves.

3935. Does not that go to this: that this sugar question cannot be considered alone?—I think that it is entirely an exceptional question, and a different one from any other. I know of no article in the least similar to sugar.

3936. But if we are to do something for the sugar industry, will not every other industry immediately be affected by it?—We do not ask you to do anything for the sugar industry except to give us fair play.

3937. You ask for a countervailing duty?—We ask you to admit our sugar on the same terms as you do that of Austria.

3938. But you ask for a countervailing duty, or for a bounty?—We ask for no bounty; we ask for our sugar to come in on the same terms as that of Austria.

3939. Does not that immediately show that the whole question is not to be confined to the question of sugar, but that the other products of the world must be taken into consideration?—If other products were dealt with in that way; if you can conceive it possible that other nations would supply us with cheaper boots, for instance, under similar conditions, it would be doing an immense injury to this country; it would pauperise an immense number of men, and change every cobbler of this country into an inhabitant of the poor house.

3940. We cannot foster the growth of cane sugar in the West Indies without doing some harm to the beetroot sugar of Austria?—My belief is that a countervailing duty would ultimately do good to both.

3941. Would not a countervailing duty check the cultivation of Austrian beet?—It would check very considerably the increase of the cultivation of Austrian beet, because they would not then be able to grow so cheaply as we should.

3942. Would not that affect the Austrian cultivation?—I think it would.

3943. Therefore, to do what you consider justice to the West Indies, you would do injury to Austria?—No, I would entirely deny that it was an injury to Austria.

3944. Do you consider that it is a benefit to Austria to check its cultivation?—It is a benefit to Austria that her taxpayers should not be compelled to support a failing industry. I consider

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Mr. Alexander Brown—continued.

it a great benefit to any country to prevent its growing that which is naturally unsuited to it.

3945. You say that estates are being abandoned in the West Indies?—Yes, the smaller and weaker estates first, of course.

3946. Do you think that it will end in a smaller export of sugar?—It must, of course, end in a smaller export of sugar.

3947. Do you think that that smaller export of sugar will have a tendency to raise the price in this country?—Not in the smallest degree, because the decrease will be more than made up by the increase of beetroot. For instance, if you take the imports of beet during the last few years you will find that they represent a larger increase than the whole production of the West Indies.

3948. Is it not a question of what period this increase in the growth of beetroot on the Continent will be able to come to its level?—I think we can see very clearly what the end of it will be. The ultimate end of it will be that the profits will go into the pockets of the Austrian landowners. So long as the competition keeps down the prices, so long the landowners will not get the benefit, but the sugar producers in Austria will. The moment that we are killed out, and all the land suitable for beet is put under beet cultivation, the landowner will find out what his tenant is doing, and will come in and share the profits; and then you will, of course, have dearer sugar.

3949. Checking the supply from whatever quarter it comes, must have an effect upon the price, must it not?—Not if it is more than made up by the supply from elsewhere. The checking of the total supply would have such an effect; but the failure of the West Indian supply would not be a check on the total supply.

3950. The West Indian supply being a small portion of the supply of sugar, it may all go to the wall without causing any increase of price?—It may at first, but the moment that that is the case then there will be an increase of price. There will be no competition then.

3951. How is it then that when there was a partial failure of the beetroot crops abroad, there was such an extraordinary increase in the price of sugar?—That is a question easily answered. My point has been that from the beetroot-producing countries the great increase would come; but in the point that you raise it was those beetroot-producing countries which failed; therefore the quarter to which I look for supply was itself very short, and I think you may get an argument from that, that if you did ultimately kill out the West Indies altogether, and you had a failure of beet, what would the price of your sugar go to then. At the time that that failure of beet took place, one-third of the consumption of Great Britain was beet, and two-thirds was cane. One-fifth of that one-third fell off and the price ran up 10 £ per ton at once; and that is more than 1 d. per pound.

3952. What was the falling off of the beetroot crop?—The falling off of the beetroot crop was about 250,000 tons; it fell from 1,250,000 tons to about 1,000,000 tons, speaking in round numbers; it was a falling off of 20 per cent. I should like to draw your attention to the fact that there was a simultaneous falling off in all European countries, with the exception of Austria, which increased its area under beet cultivation, so that

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8 July 1879. you have not got in beet the same saving clauses that you have in cane against the scarcity of sugar. A bad season on the Continent, as far as our present experience goes, means a bad season all over, and a fabulous famine price for sugar.

3953. I am rather surprised to hear that the sugar growers do not like sugar at 10*l.* per ton higher?—I should be exceedingly sorry to see sugar 10*l.* per ton higher than it is now; it would increase the production to such an extent that we should pay for it afterwards.

3954. Do you look for any increase in the consumption of sugar in Canada?—Yes, I should think there would be a greater increase there probably, than there would be in this country almost. The consumption in this country has been extending very greatly, and there must be some limit at which it will cease, or, at any rate, at which it will progress very much slower than it has done.

3955. Did I rightly understand you to say that the Canadians came over and wanted to make a treaty with Barbadoes?—It was before my own personal connection with the West Indies, but I remember hearing when I was out there in 1868 of this treaty.

3956. That difficulty which you found in 1868 is now got over by the effect of the new Canadian tariff, is it not?—The Canadian tariff has been altered, and during the last few months there have been orders from Canada.

3957. That difficulty which you speak of has been got over?—I am speaking without book; but I expect that the treaty was more of a reciprocity character.

3958. And the effect would be salutary to Barbadoes?—It would be salutary to Barbadoes, as far as that sort of treaty is salutary to a country.

3959. Do you expect any increase of trade with the United States?—As far as Demerara goes, we had a very fair trade with America until recently, when they put on almost a prohibitory duty for the purpose of keeping out our sugar.

3960. What is the duty now?—Something like 10*l.* per ton; it is a differential duty. There was a certain class of dark sugar which we used to make; I have not brought a sample of the dark sugar, but I have brought a sample of the kind of sugar that is made in Demerara (*producing a sample*). That is the style of sugar that we make for some portion of the English market; by boiling that up without skimming it, it may be made perfectly black. The Americans judge by colour alone, and they let it in at a very low duty. The American producers objected; they said it was artificially coloured, that we threw in colouring matter; and as a matter of fact the Government seized a number of cargoes, some of the sugar that I made myself amongst others, and it is *sub judice*.

3961. When was that?—Last year, at Baltimore and New York; but they have changed their duty several times.

3962. That shows, of course, the absurdity of colour standards?—It does, completely; they are most falacious and improper standards.

3963. Do you think there is a prospect, generally speaking, of a trade in sugar between America and the West Indies?—I think America would be a very good market for the West Indies, if we had a fair chance of getting into it.

Mr. Alexander Brown--continued.

3964. Of course this duty against the West Indies is intended to protect Louisiana sugar?—Yes. And I may mention that the Sandwich Islands have now got the benefit of this treaty; they are coming in under the same advantages as Louisiana. The consequence has been that one man alone has spent over 100,000*l.* in putting up sugar works in the Sandwich Islands. The estates have increased there about 400 per cent. in value in the last 24 months.

3965. Can you tell us anything about the Peruvian sugar; is that likely to become a very important item?—It is solely a question of the slave trade; it is solely a question of their getting Chinese coolies and working them as slaves. The Macao traffic has been stopped for the moment.

3966. Is it not more a question of water?—They can irrigate. The old irrigation channels cut in the rock in the days of the Incas are still in existence. They have no rain; they grow it entirely by irrigation.

3967. But by tapping the streams at the heads they have taken all the water they can get?—I have not been to Peru; but that is not the information given me by an engineer whom I have seen, who came from Peru.

3968. You are unable to say what is the prospect of Peruvian sugar in competition with West India sugar?—They have a very much longer transit; they have to go all round Cape Horn, and the freight is very much against them.

Mr. Courtney.

3969. This interesting Paper that you have put in gives the actual figures for 1878, and the average from 1852 to 1861?—I believe it gives the average from 1852 to 1861, and the actual ratios in 1878, and what the ratios would have been on the basis from 1852 to 1861.

3970. There is no reason to suppose that 1878 had any special circumstances?—No, except that there has been always an increase, and latterly an enormous increase in Austrian beet.

3971. I see the point of which you complain is, that what we get from the British tropics has not increased, but has somewhat diminished; whilst the proportion that we get from the foreign tropics has more than doubled?—Yes. You will remember that that is, in a great measure, owing to the abolition of differential duties in this country.

3972. They had been abolished 10 years in 1852, had they not?—No; you would not feel the effects of it much until 1848.

3973. That is the average up to 1861; so that of course you would have felt the effects for a dozen years at least?—As a matter of fact, the Cuban crop did go on increasing very largely until the Rebellion; it sprang up from 150,000 tons to 800,000 tons.

3974. But since 1861 the importation from foreign tropics has very largely increased?—It has increased.

3975. In the first period the proportion from the British tropics is more than twice as much as the proportion from foreign tropic?—Yes.

3976. But now the proportion from foreign tropics is more than twice as much as the proportion from the British tropics?—But that has been checked; you get the advantage of the abolition of the slave duties in this country; I attribute the increase mainly to that, and to the enormous

Mr. Courtney—continued.

enormous amount of sugar that we got from Cuba. I should say that there was an increase in Cuba at one time nearly equal to the whole consumption of this country.

3977. That would have told between 1852 and 1861; but I do not see how it would have told between 1861 and 1878?—It takes three or four years to make a sugar estate; you would not get the land under cultivation at once.

3978. During the last 10 years, say from 1869 to 1879, how has the importation from the foreign tropics run?—It is certainly less, because the crop of Cuba has gone down; and that really is the bulk of the slave-grown sugar. The foreign tropics really mean Porto Rico, Brazil, and Cuba.

3979. Has that permanently gone down?—I think it has permanently gone down in Cuba.

3980. We have got during the last six months, the first half of the year, from the Spanish West India Islands 1,350,000 cwt., as against only 447,000 cwt. in the six months of the previous year, and 271,000 cwt. in the year 1877?—I should explain that a good deal by the American tariff being changed, and also from America taking the great bulk of the Cuban sugar in 1876 and 1877, when the beetroot crop failed, the Americans being the nearest; Cuban sugar comes here when it cannot go to America.

3981. And it is now shut out to some extent?—It is.

3982. It is a source upon which we can apparently rely?—I would give you my reasons for thinking that the Cuban crop has been permanently damaged. Cuba is about ten times as large as Jamaica, and its population is only three times as large, and we know how difficult it has been in Jamaica to prevent the people from squatting. Cuba is very like Jamaica in its natural features; and if we had that difficulty in Jamaica, now that freedom is being carried into effect in Cuba, they will have to face the same difficulties from which we have had to emerge. Free labour is being established gradually, and we can hardly suppose that it will now be checked.

3983. You said that the West India Islands went on exceedingly well up to 1876?—Yes. There are some islands, the small ones, which have felt the effects of the cutting down of their trees, and the consequent drought; but in dealing with the British West Indies, you may take Demerara, Trinidad, and Barbadoes as being the three main sources of our sugar supply, and, in a much lesser degree, Jamaica.

3984. Many other industries in this country have suffered severely since 1876, have they not?—Yes.

3985. The refiners say that these bounties began to operate in 1864?—The refiners complain of the bounty on refined sugar; we complain of the bounty on raw sugar. They were very seriously affected by the bounty on refined sugar, which also, to a certain extent, hit us, because those who produced Muscovado found their purchasers were not in so prosperous a condition; but we were not so hard hit until the Austrian bounty was put upon raw sugar.

3986. Is it Austria which is hitting you?—It is Austria almost entirely that we suffer from. I do not think we should suffer so much from France.

3987. Yet it would be necessary to adopt 0.104.

Mr. Courtney—continued.

legislation with respect to France as well as with respect to Austria?—Yes; because I think the refiners have a real case of injustice; they have not a fair market for their produce. As regards the British West Indies I do not think we suffer vitally from the French bounties.

3988. You talked of the loss which we had here because the West India planters were resident here, and spent their profits amongst us?—I referred to this in speaking of losses incurred in this country owing to the bounty.

3989. And you also spoke of a loss in the shipping trade?—There is also a loss in the shipping trade.

3990. You do not mean to say absolutely, do you, that it is to be regarded as an evil that we are able to get what we want without having to send a long voyage for it?—I think it is absolutely an evil, if it is given you in such a manner as to bind you to it at a high price for ever.

3991. If it happens simply that you can get it more cheaply, there is no visible threat, at all events, in a high price?—If Austria would indenture herself to you for the next 500 years to feed you with sugar at a farthing per lb. less than it cost them to produce it, it would be beneficial, no doubt.

3992. In fact all that about the profits being spent here and the shipping trade does not effect the question, does it?—I think it does very materially, because it is a very decided present loss to our shipping trade not to be introducing British West India sugar at the present moment.

3993. When that loss is occasioned by the fact that we are able to get the sugar itself so much more cheaply that we are able to dispense with having it brought in that way?—I quite grant that the advantage that the consumer gets in having cheap sugar is a distinct present advantage to the consumer; but our position is that that is purchased by a very serious future trouble.

3994. There may be a future loss; that is intelligible; but I thought you said that there was a present loss?—There is a present loss, and there is also a present gain; I do not think the two are incompatible.

3995. Where is the balance?—I should say that at the present moment the consumer gets his cheap sugar, and he has that certain amount of advantage.

3996. That must be a very much greater advantage, putting out of sight the threatened future loss, than any counterbalancing loss?—I should say that you miss out of consideration one point altogether, and that is, what is the effect of pauperising an enormous number of people?

3997. Is not that the consequence of any improvement which throws a particular class of workmen out of employment?—Yes, of any improvement; but this is retrogression.

3998. You spoke of the special claims which you had as West India proprietors, and it appeared to me that your special grievance was that you could not be annexed to the United States?—That may come to be a grievance, I confess; but the grounds on which I based it were not the fact that we are not annexed to the United States, but that we have not the power of legislating for ourselves, and that, therefore, we certainly ought not to be tabooed and forgotten by the British Parliament. The British Parliament has taken the responsibility of governing

Mr. Hogg.

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Mr. Courtney—continued.

8 July 1879. ing the Colonies; in nearly every case in the West Indies it is a Crown Colony; at any rate the word of the Secretary of State is law.

Mr. Alexander Brown.

3999. I suppose you would be very glad to pay the American tariff, if you were annexed to America, on imports of English machinery into Barbados?—If you put the matter purely as a matter of pocket; but we think it ought to be put on a higher basis altogether. As a matter of pocket, it would pay us a good deal better to belong to another country; but we do not put it on that basis; we say that, as British citizens, we have as much right to consideration as men in Norfolk or Surrey.

Mr. Courtney.

4000. But you think that you are economically injured by the stimulus that is applied to Austrian trade?—If we are shut out of the only market open to us, we are economically injured; and if it comes to be a choice between being artificially stimulated and artificially injured, I prefer the former.

4001. Was Sir Francis Hinks Governor when those negotiations to which you have referred went on?—Sir Francis Hinks was Governor of Demerara in 1868; the conversation which I have narrated took place last December in Demerara.

4002. That was with the United States Consul?—With the United States Consul through a third party, through an official party; I would rather not give his name.

4003. You cannot throw any light upon the origin of this Canadian treaty?—No, it was before my personal connection with the West Indies; it had just been cracked up when I first became acquainted with the West Indies.

4004. You agree with Mr. Lubbock in not paying any attention to the competition of France; it is Austria that you are afraid of?—We think that France can compete on equal terms with other Continental nations; we do not say that Austria has any advantage over France naturally, it is simply an artificial advantage.

4005. The French bounties do not affect you considerably?—Not vitally.

4006. You would not recommend any action on account of them alone?—Except that we think the refiners have a very hard case. On our own account we think our interests are not vitally affected, although they are, to a certain extent, damaged.

4007. You said that an increase of 10 l. per ton would enormously stimulate the cultivation of sugar with you?—Yes, it certainly would; but I should not like to see it at all.

4008. An increase of 5 l. per ton would have a considerable effect, I suppose?—I think 5 l. per ton would bring sugar up to a very profitable point.

4009. Would it have an effect in increasing the breadth of cultivation?—It takes a very long time to establish an estate in the West Indies, and it very rapidly goes out of cultivation.

4010. Still you said, with something like alarm, that you would rather not see an increase of 10 l. per ton, because that would so increase the breadth of cultivation?—Yes; it would drive up wages enormously all over the West Indies, and ultimately we should suffer for it.

Mr. Courtney—continued.

4011. Do you not think that the extent of cultivation responds very sympathetically to the price?—I think it does where you have got a nucleus to work from. I mean: given an estate with its building and managers, and everything else in full working order, you can increase the crop of that estate; but, given a waste wilderness, it would not respond rapidly.

4012. Of course, estates in the West Indies vary very much in adaptability?—Enormously.

4013. And those estates that are abandoned are the worst situated?—Yes; either because no one would advance money upon them, or else they were small, or were at some distance from a harbour.

4014. Or the machinery was antiquated?—Yes; something of that sort.

4015. With every diminution of price you might conceive of a contraction of cultivation?—Yes. I can quite conceive a price which would be remunerative to the bulk of the cultivators in the West Indies, but which would necessitate a few isolated estates going out of cultivation.

4016. Of course, as the price falls you might conceive that cultivation contracts, and as the price rises it might extend?—Yes, to a small extent; but you very rarely, in the West Indies, make any very large difference in your crop; you have your machinery suitable for a certain crop. In Demerara, you have, say, your machinery capable of turning out 100 tons a week, and you grow a crop about suitable to that; and inasmuch as you have to plant your cane about 14 months before it comes in the state of sugar to the market, the state of the market in January 1874, would not guide you much as to what it might be in March 1875.

4017. Do you seriously contemplate such a thing as a general abandonment of estates?—Yes, I do; a very large number of estates must be abandoned.

4018. Of course it would be a very large number, if half of them were abandoned?—Yes.

4019. Do you look upon that as a thing that may be conceived as possible?—I should think it is extremely probable. It is perfectly impossible at the present moment for the bulk of West India estates to pay their expenses at these prices. I have here a statement of the average price of ordinary West India Muscovado for the last 20 years. That was worth in bond on an average in 1858, 27 s. 10 d.; in 1859, 27 s. 7 d., and so on until at the present moment it is only worth 17 s. 6 d.

Chairman.

4020. What was it last year?—Last year the average was 20 s. 5½ d.

4021. What are the prices since 1870?—In 1870 it was 24 s. 1 d.; in 1871, it was 26 s. 3 d.; in 1872, it was 26 s. 10 d.; in 1873, it was 23 s. 2 d.; in 1874, it was 22 s. 4 d.; in 1875, it was 21 s. 7 d.; in 1876, it was 21 s. 7 d.; and then it came up in 1877 to 26 s. 4 d.; in 1878 it was 20 s. 5 d.; and for this year it is about 18 s.

Mr. Bell.

4022. Is that in London?—In London; in the London market.

4023. Do

Mr. Courtney.

4023. Do you happen to know anything of the proportion of acreage under sugar cultivation that went out of cultivation on the emancipation of the slaves in Jamaica?—No, that was before my time. In Demerara we are now producing a larger crop than we ever did, and we had got up to that state before the Austrian bounties had been felt. I think I am right in stating that.

4024. Can you tell us anything of the effect of the admission of slave-grown sugar in Demerara on an equal footing with free-grown sugar?—No, only by hearsay; I have often spoken of it with my friends, and I have looked back in our books and seen the prices at which estates sold in those days.

4025. Did estates go out of cultivation?—Yes, they did, to a certain extent.

Mr. Courtney—continued.

4026. Do you think you could produce to the Committee any figures which would show the proportionate diminution of sugar estates in Demerara and the corresponding decline in price?—I think I could give you figures as to the exports of Demerara from the abolition of slavery to the present time.

4027. And the acreage under cultivation?—I could make a very fair guess at that, at any rate, because I know pretty well what each acre gives. Of course it is better cultivated than it used to be and gives a better return.

4028. Could you give us figures showing the amount produced and the price in bond?—I think I could.

Mr. Hogg.

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Friday, 11th July 1879.

MEMBERS PRESENT:

Mr. Bell.
Mr. Alexander Brown.
Lord Frederick Cavendish.
Mr. Collins.
Mr. James Corry.
Mr. Courtney.
Mr. Orr Ewing.

Sir James M'Garel-Hogg.
Mr. Sampson Lloyd.
Mr. Morley.
Mr. Onslow.
Mr. Ritchie.
Mr. James Stewart.
Mr. Thornhill.

CHARLES T. RITCHIE, ESQ., IN THE CHAIR.

M. FRANÇOIS GEORGES, called in ; and Examined.

M.
F. Georges.
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Chairman.

4029. You are President of the Central Committee of Raw Sugar Manufacturers of France?—Yes.

4030. You are yourself a sugar manufacturer and agriculturist, are you not?—Yes.

4031. I believe you have received a prize medal for agriculture?—Yes; I have received a prize as a farmer.

4032. You are also President of the Agricultural Committee of St. Quentin?—Yes.

4033. What effect do you find that the bounty on the export of refined sugar has upon the general trade?—I find that the bounties upset the trade, and have an effect on the prices; and they also upset the calculations of production.

4034. Do you think there is any chance of getting rid of these bounties without an International Convention?—No; the opinion of the committee is that you can only arrive at the suppression of these bounties by an international understanding.

4035. In speaking of the committee, do you mean the Comité des Fabricants?—Yes; the Comité des Fabricants.

4036. Can you give us the reasons why, in your opinion, the last Convention was not carried out?—The Comité des Fabricants did all they could to arrive at a satisfactory result, but the efforts of the committee met with very great obstacles.

4037. Did the sugar refiners oppose it?—Yes; there were two obstructions which they met; one came from the sugar refiners who opposed the Convention; and the second was the persistency with which the French Government advocated the levying of a preliminary duty on the entry of raw sugars into the refinery, and taking the balance and checking it as it goes out of the refinery.

4038. At that time the French refiners were opposed to refining in bond, were they not?—Yes; absolutely.

4039. That opposition no longer exists?—That opposition exists no longer. My colleague, M. Fouquet, is charged as representing the

Chairman—continued.

French refiners to inform the Committee on that point.

4040. Is the raw sugar industry of France in a prosperous condition?—No; its position is extremely critical.

4041. To what do you attribute that critical condition?—To the competition of foreign sugars receiving greater bounties, which, of course, lessens the selling price of the French manufacture.

4042. I suppose you allude principally to the Austrian bounty-fed sugars?—Yes; principally to the Austrian bounty-fed sugars; but there are a great many other countries that also have bounty-fed sugar, such as America, Belgium, Holland, and Germany.

4043. If nothing is done to put a stop to these bounties, do the French *fabricants* propose to make any application to their Government upon the subject?—Yes; because if the Government does nothing, the French manufacturers will succumb, and unless the French Government gives a corresponding bounty the French manufacturers must fail.

4044. Do I understand that in the event of nothing being done, application will be made to the French Government to give a bounty upon raw sugar?—Yes.

4045. Is the result of this Committee awaited with some interest and anxiety by the *fabricants* in France?—Yes, very much; they are convinced that the result of this Committee will have a decisive influence on the future of the sugar trade of France and the world.

4046. In point of fact, the action of England is looked upon as the pivot on which the whole of the future hangs?—Absolutely.

4047. In their opinion is the refining in bond the only efficient mode of abolishing bounties?—Yes, it is the sole one, in their opinion. For 10 years past they have been soliciting this measure. At the Trade Congress at Brussels they passed a resolution that refining in bond was the only means of abolishing bounties.

4048. And

Chairman—continued.

4048. And you agree with that opinion?—Yes, entirely.

4049. You manufacture your sugar under supervision, do you not?—Yes, the whole of the French raw sugar production is manufactured in bond.

4050. Do you find a difficulty in carrying on your manufacture under supervision?—Not at all.

4051. Do you find that it hinders improvements in machinery and in the mode of production?—No. The presence of the officers is an assistance, and in no way an interference.

4052. It does not prevent improvements being carried out?—In no manner whatever.

4053. In fact, you find no difficulty at all?—None whatever.

4054. Do you consider that there is any chance of a convention being agreed to unless there is a clause providing for a countervailing duty in cases where bounties continue to be given?—No. No country would be induced to enter into a Convention in which there was no countervailing duties on bounty-fed sugar.

Mr. Onslow.

4055. Will you explain in what way you mean that the bounties upset the trade?—Because they produce unequal conditions. The manufacturer who receives a bounty can afford to sell his sugar at a less price.

4056. Is there any fear amongst the trade that the present bounty will be enhanced or diminished, and is that an item in upsetting the calculations of the trade?—If there is no International Convention the bounties will be maintained, no doubt. Our only hope of a modification of the present order of things in France is a Convention.

4057. There is no expectation in the trade that the present bounty system will be altered in any way without a Convention?—None, I expect, unless there is a Convention.

4058. If a countervailing duty were put on by this country, would it materially affect the French sugar trade?—A countervailing duty in England would, of course, equalise the position of the French manufacturers, but it is only in case of a Convention that there would be a countervailing duty.

4059. It has been pointed out to this Committee that it would be no use trying to enter into any Convention unless there was a countervailing duty put on previously; if you put on a countervailing duty there is a greater chance of other powers joining in the Convention, but it is no use our asking other powers to enter into a Convention unless the first action is to put on a countervailing duty?—A countervailing duty is the basis of a Convention. If you have not decided to put on a countervailing duty it is no use to ask for a Convention. You are not merely to recommend it, but if you say, "We are decided, if we come to a Convention, to put a duty on," then we shall come to a Convention; but if you have not decided to put a countervailing duty it is useless for us to make a Convention.

4060. That is to say, if there was, I may call it, a threat on the part of this Government to put on a countervailing duty, you think that would have the effect desired by the French refiners?—If the Government threatened to put on a

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countervailing duty that would be quite enough to show to other Governments that give bounties that your Government is in earnest, and it would oblige them to come to a Convention, because they would be afraid of your putting a countervailing duty upon them. So that it is quite necessary that you should declare that you are ready to put a countervailing duty on bounty-fed sugars imported in England.

4061. From your experience, do you think that the other Governments would also fall in with that opinion?—I think that the other Governments would come to a Convention.

Mr. Collins.

4062. You said that the sugar industries in France at present are in a critical condition, and you say that this is chiefly owing to bounty-fed sugars; is the condition critical simply in this sense, that French raw sugar has to compete in England and other consuming countries with the bounty-fed sugar of Austria and other countries; is it critical in that sense alone?—Entirely for that reason.

4063. Is there any importation whatever of foreign bounty-fed sugar at present into France from abroad?—No.

4064. Do the fabricants in France take much of an interest themselves, either in a pecuniary sense or by encouragement of the cultivation of beetroot in the districts connected with their manufacture?—Yes, certainly, because the greater number of them are also cultivators, and also because it is their interest that the other cultivators that grow beet should profit too, and that is the reason why to-day the price of beet is dearer than it ought to be, in order that the farmers should continue to grow beet; but if the difficulties continue to be as great as they are, the fabricants will be obliged to lower the price of beetroot, and then of course their trade will be done with.

4065. If any difficulties of even a trifling nature further than exist at present were imported into the manufacture of raw sugar in France, do you think that the manufacture would be lessened considerably, and in some cases altogether ruined?—Certainly, because they are almost at the last gasp, and if they lower the prices of beet the farmers will entirely leave off growing beet.

4066. Do the fabricants, that is to say, both growers and manufacturers, apportion the profits of their industry according to any system of dividing the profits, a portion to the cultivation of the soil, and a portion to the profit of the manufacture of the material which they get from that cultivation?—It is not generally the case; I understand that they do not divide the profits in that way.

Mr. Thornhill.

4067. Is the sugar beet production in France increasing or diminishing at the present moment?—It is rather stationary now, but it is rather diminishing in comparison to what it was three years ago.

4068. I suppose that the profit per acre of growing sugar beet depends upon the price of sugar at the moment?—Yes.

4069. It is round Paris, is it not, that sugar beet is principally grown now?—It is principally in the Departments north of Paris.

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4070. Which

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M. F. Georges. 4070. Which part of France do you think more particularly adapted for growing beet?—Principally the Département du Nord, the Somme, Pas de Calais, Aisne and Oise.

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Mr. Alexander Brown.

4071. I suppose you have seen M. Jacquemart's pamphlet upon the sugar bounties?—Yes, I know it.

4072. Can you give any opinion as to the effect of the new Austrian law which came into operation in 1878?—The new law will have nearly no effect, because the Austrian manufacturers are now disposed to diminish the capacity of their diffusing machinery, so as to do more work in the same time, in order to take away the effect of the new law. Monsieur Jacquemart has written another pamphlet to show that the law will have no effect, which I will hand into the committee (*the same was delivered in*).

4073. Do you agree with the second pamphlet written by Monsieur Jacquemart?—Entirely.

Chairman.

4074. I understand, to summarise your evidence, you believe that Austrian and other bounties, if they continue, will greatly damage the French growers of sugar?—It will destroy the

Chairman—continued.

French manufacturers entirely in a certain number of years; that is to say, that the production will be reduced to a certain extent every year. I would add that if the price of beet were to be lowered, the farmers would not be able to grow it any more.

4075. I understand also that you consider that it is useless to expect any Convention without a clause providing for a countervailing duty in the case of sugar coming from countries that give bounties?—Yes, quite so.

4076. The French sugar refiners hitherto have opposed refining in bond, but now they are willing to agree to that also?—The French refiners have declared that they are ready to submit to refining in bond, and they have signed a paper which M. Fouquet will give the Committee.

4077. Have the refiners abandoned all claim for compensation which was once advanced in case they were compelled to refine in bond?—Yes, the French refiners at one time thought that it would be very difficult to them and very inconvenient to have officers in their establishments, but now that they have seen that the manufacturers have nothing to complain of, they are quite ready to have refining in bond without any compensation.

M. CHARLES FOUQUET, called in; and Examined.

Chairman.

M. C. Fouquet. 4078. You are a Member of the Chamber of Deputies of France?—Yes.

4079. You are also a raw sugar manufacturer and an agriculturist?—Yes.

4080. And you are a member of the Central Committee of Raw Sugar Manufacturers?—Yes.

4081. You were also, I believe, formerly secretary to the Sugar Commission of the National Assembly?—Yes.

4082. You were president of one of the classes of the Paris Industrial International Exhibition?—Yes.

4083. And in consequence, you are able to speak upon all the questions connected with sugar?—Yes.

4084. Your committee have had a meeting, have they not, with the refiners' committee of Paris?—Yes.

4085. And the result of that conference was an agreement?—Yes.

4086. And you were empowered by the joint committee to bring over to this Committee the terms of that agreement?—Yes.

4087. Will you kindly produce that agreement?—Here it is (*the same was delivered in*).

4088. I may take it shortly that the result of the agreement is that the refiners have agreed to assent to refining in bond?—Yes.

4089. And that one of the essential conditions of that agreement is that in any industrial Convention there shall be a clause stipulating for a sur-tax upon the bounty-fed sugar?—Yes.

4090. Will you state to the Committee the names of the refiners who have signed that agreement?—M. Cronier, chief delegate from the refinery of M. C. Say, M. A. Guillon, M. A. Sommier, MM. Lebaudy, Frères, MM. Jeanti et Prévost.

Chairman—continued.

4091. Can you state that the other sugar refiners who have not signed that agreement are also in accord with it?—I cannot say so, because the time has been too short for the refiners in Paris to meet with the refiners in the ports so as to come to an agreement.

4092. By whom were the refiners who attended this committee meeting appointed; were they representatives?—They came in their own names; they were not delegated.

4093. Have you any reason to doubt that this agreement is one which would be assented to by all the refiners of France?—I think it would be agreed to by all the refiners.

4094. The object of the agreement is to take efficient steps to abolish bounties?—Everywhere, if it is possible.

4095. In your opinion, and the opinion of those who signed this paper, is refining in bond the only mode of abolishing bounties?—Yes.

4096. No system which provided for a drawback would, in your opinion, have the effect of altogether extinguishing bounties?—No; the system of the Dutch standard or saccharimetry cannot take away at all the bounties, and there is only the refining in bond that will do so.

4097. Have you seen the note which has been presented to this Committee by M. Léon Say upon the subject of French bounties?—I know it.

4098. On page 7 of that note, you see that M. Léon Say estimates the excess yield upon which no duty is paid at 5,152,332 kilogrammes?—Yes.

4099. Taking the duty at 75 francs per 100 kilos, that would amount, would it not, to 3,864,225 francs?—Yes.

4100. Have you observed whether, in estimating

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mating the excess yield, M. Léon Say has taken the amount of the excess yield obtained by using *poudres blanches*?—I have not.

4101. M. Léon Say in this note says, that no excess yield is obtained by using *poudres blanches*?—I think by a note that M. Lebaudy has given me that *poudres blanches* gives an excess of 2,573,843 francs 20 centimes.

4102 Who is M. Lebaudy?—A French refiner.

4103. According to one of the principal French refiners himself, the amount of excess yield which they obtain by the use of *poudres blanches* is the figures you have stated?—Yes.

4104. It is not necessary, in order to obtain the bounties by means of *poudres blanches*, to enter *poudres blanches* for exportation, is it?—It is not necessary in order to obtain the bounty by means of *poudres blanches* that they should be entered for exportation.

4105. Will you explain to the Committee as briefly as you can how a bounty is obtained by *poudres blanches*?—The duty on refined sugar is 73 francs 32 centimes; the duty on *poudres blanches* is 70 francs 20 centimes; as the *poudres blanches* does not give the same yield as the refined sugar, of course it could not be 73 francs, but it ought to be 72·49, and that gives 2·29 profit.

4106. When a refiner takes *poudres blanches* into his refinery, he pays duty at the rate of 70 francs 20 centimes upon it?—Yes.

4107. He converts this *poudres blanches* into loaves and exports it, and obtains a drawback of 73 francs 32 centimes?—He obtains 72·49.

4108. That is to say, he does not obtain the whole difference between the two, because there is some lost in refining?—Yes.

4109. Taking M. Léon Say's estimate of the excess yield, and adding the amount which one of the principal refiners himself says he obtains by using *poudres blanches*, the amount of bounty obtained by these two processes amounts to 6,438,068 francs?—Yes.

4110. But is there not another element, namely, the co-efficient, which enters into the question of the amount of bounties?—I have great reason to think so, although the French refiners will not admit it.

4111. Can you give the Committee any idea what, in your opinion, and the opinion of those who have investigated the matter, the amount of bounty obtained by the false co-efficient amounts to; in your opinion, is it over estimated at 2,500,000 francs?—I think it is about that, but it is difficult to say for certain, because the chemists, between themselves, are not yet agreed on a real co-efficient.

4112. The co-efficient was fixed some years ago at five, was it not?—Yes.

4113. And since that time is it not a fact that improvements in chemistry have rendered the co-efficient too large?—Many chemists think so.

4114. It has been estimated at from one to two per cent. too large, has it not?—One per cent. for the ash and one per cent. for the glucose.

4115. Adding that 2,500,000 to the other amount which we have obtained, we find roughly that the bounty comes to something like 9,000,000 francs, taking M. Léon Say's estimate as the basis?—An amount varying between eight and nine millions has been given by the
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Committee of French Manufacturers to the Committee of the Tariff in France.

4116. Was the amount in 1876, as estimated by that committee, 10,000,000 francs?—Yes.

4117. And that was upon an exportation of 167,000,000 kilos.?—I have here a table of all the exportation of sugar. In 1876 the exportation of refined sugar was 186,809 tons; in 1878 it was 166,623 tons.

4118. Then the export in 1878 was less than in 1876?—Yes.

4119. If 10,000,000 francs of bounty was obtained in 1876 on 186,809 tons, how much would be obtained, according to that estimate, in 1878?—The bases that had been taken to obtain the figures that you have spoken of just now, the 8,000,000, is the exportation of 1878.

4120. That estimate to which we have referred was without any amount for the wrong co-efficient?—With the co-efficient.

4121. In the evidence given before the Commission on the General Customs Tariff Bill by the Central Committee of the French Raw Sugar Manufacturers, they estimated the bounty in 1876 to be 10,000,000 francs?—Yes.

4122. I find I am wrong in saying that it was without the co-efficient; it was without the *poudres blanches*, was it not?—They have not calculated the *poudres blanches*.

4123. Do you admit that the estimate made by M. Léon Say is a correct one, or have you made out an estimate which is a different one?—I think that the estimate of M. Léon Say is exactly right; but there is a certain difference between the analysis made by the Government and by an ordinary chemist, and from that must arise a certain difference which gives the benefit, and that I have not calculated.

4124. May I ask you what result your calculations have led you to with regard to the amount of bounty for the year 1878?—Between 8,000,000 and 9,000,000 francs.

4125. That is to say, allowing for the *poudres blanches* and the co-efficient?—Everything included.

4126. You have stated that you have a table showing the exports from France for some years, will you kindly put it in?—Yes. It is a table of the exportation of raw sugar and the refined sugar from 1871 to 1878 (*the same was delivered in*).

4127. There is no bounty, I understand, received in France upon raw sugar?—It is impossible that they should receive a bounty, because they are working in bond, and as they do not pay any duty they cannot receive any duty back.

4128. If it is said that the French fabricant receives any portion of the bounty, that statement is incorrect?—In the bounties that we spoke of just now, that are given to the refiners, there is a very little portion that is given to the manufacturers in the price of sugar.

4129. Do you mean that those sugars which give the greatest excess yield, command a higher price?—Yes.

4130. Are any of those sugars which obtain that high excess yield exported?—No.

4131. Austria, of course, does export similar sugars?—Yes.

4132. You are not aware, are you, whether those sugars which give the highest yield, and which are exported from Austria to this country, bring
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bring a higher or a lower, or the same price in this market than the French refiner has to pay for similar sugars in his market?—No, I am not aware; that is to say, I know that they are not charged at so high a rate in England as they are in France. The same class of sugar is purchased dearer by our refiners in France than the Austrians get for it in England.

4133. Have you any figures of prices that you can give us to that effect?—No.

4134. With regard to the Belgian bounty, can you give us any estimate as to its amount?—I think that the total amount of the bounties that Belgium has given may be valued at 12,000,000 francs.

4135. Upon what exports?—Upon 100,000,000 kilogrammes.

4136. Have you calculated what that amounts to per ton, English?—I have not made that calculation.

4137. Do you know where the principal export of Belgian sugar goes to, both the raw and the refined?—The greater quantity of the refined sugar exported from Belgium goes to England, which amounted to 3,904 tons in 1878. It has been stated that it was 100,000,000 kilos. exported; but it is not true, it is 68,198,000 refined and raw.

4138. You have told us that 3,904 tons of refined sugar come to England; where does the principal part of the raw go to?—To England, too.

4139. But practically the exports from Belgium are small?—They are. Particularly in refined sugar, it is a very small amount.

4140. Can you give us any information upon the Dutch bounty?—In 1876 the bounty was five francs per hundred kilos.; but since, as the Dutch Government has not changed its standard system, there is a large quantity of sugar that has been blackened before it is imported into Holland, and I think that the bounty must be now from six to seven francs per hundred kilos. In 1876 the import into Holland of the class below 7 and class 7 to 9 sugar was 16 per cent., and in 1879 it is 67½ per cent.

4141. Those are the classes from which the greatest bounty is obtained?—Yes. The import to Holland has gone up since 1876 from 16 to 67½ per cent. in 1879, and from that it arises that in the year 1877 the exportation from Holland was lower, and it is larger now, in 1879.

4142. Have you got the figures of the export of Holland for this year?—Sixty-four thousand six hundred and forty-three tons for the year 1878.

4143. Can you give us the total amount of bounty paid upon that export according to your calculation?—No.

4144. What was the total amount of exports in 1876?—Seventy-five thousand seven hundred and eight tons.

4145. Then the export of sugar from Holland is falling off?—Yes; but I should like to give an explanation of that, if you will allow me. In 1871 the export from Holland was 108,865 tons, and the export of Holland has diminished, because Germany has taken its place in Sweden, in Norway, and in Italy; Austria has taken the place of Holland in Turkey and Greece, and also in Italy. In 1871 Holland was exporting to Italy 38,534 tons; and, in 1878, 6,570 tons. To

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Turkey, in 1871, Holland was exporting 8,245 tons, and in 1878, 1,238 tons.

4146. That, in your opinion, is the reason why the exports of Holland are diminishing?—Yes, because Austria and Germany take its place in other markets, and also because, in 1876, a refinery was established in Italy, where there was none before.

4147. Can you give us the exports from Holland for 1877?—Sixty-three thousand eight hundred and twenty-one tons in 1877.

4148. Can you give us any information upon the subject of the German bounties?—I estimate that in Germany the bounty varies between two and three francs per hundred kilos.; and if I may be allowed to explain, that is because the duty is put per thousand kilos. of beetroot, and it was estimated that it was necessary to have 1,175 kilos. of beet to make up one bag of sugar of 100 kilos. But since that the progress that has been made in the manufacturing of sugar has enabled the manufacturers to obtain one bag of sugar or 100 kilos. of sugar from 1,075 kilos., instead of 1,175, because they can take the sugar off from the treacles by certain new processes of elusion and osmose; so that they pay less duty and still the drawback is always the same.

4149. But the amount of the German bounty is exceedingly small?—Yes.

4150. Amounting to about 30 francs per English ton?—Yes, between 20 and 30 francs; of course it depends entirely upon the yield of the beetroot.

4151. But according to the figures which you gave us a little while ago, you stated that in your opinion the bounty was from two to three francs per 100 kilos.?—Yes.

4152. And that means from 20 to 30 francs per English ton?—Yes.

4153. With regard to the Austrian bounties, you have seen, have you not, the last calculation which has been put in to-day by M. Jacquemart?—Yes, and I agree entirely with M. Jacquemart in that calculation.

4154. I calculate that according to M. Jacquemart, the Austrian bounty on export amounts to something like 3½ per English ton; would that be correct?—Yes, or a little more.

4155. Can you give us any information about the American bounty?—In the United States it is very difficult to know the exact quantity that the refiners take in in the refinery of sugars coming from importation and of sugars produced in America itself. I have been very much astonished last year on seeing in the exhibition of sugars, that there were very rich and still very brown sugars that came from Cuba. So that the American refiners take in those sugars because they have always a standard system; they take in sugars from Cuba or elsewhere, that are very rich and are coloured, so that if you wish it you can have pure clear sugar which analyses much above what it ought to be.

4156. If the Americans were to change their system of types to one by the saccharimetric test, it would do away with the fraud which, according to you, the American Government now suffers under?—Not entirely, but it would diminish their bounties on a large scale.

4157. I did not say that, in my opinion, it would diminish the bounties, but what I asked was whether that saccharimetric test would prevent fraud by colouring sugar?—It would be

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easy by the saccharimetric test to know exactly the sugars that are coloured and the sugars that are not coloured; but I have not an absolute confidence in the saccharimetric test; it would be better than the standard, but it would not still be what is necessary.

4158. Do you agree with the previous witness that no system of types or of tests will prevent bounties?—I am quite of opinion that it can only be done by refining in bond, that is to say, to put the duty on sugar honestly and loyally going into consumption, and that there is no other means to prevent bounties.

4159. In fact, any system by which a drawback is given is a system which would not abolish bounties?—Every time you have a drawback on sugar it will always give bounties.

4160. And the only system by which drawbacks can be dispensed with is the system of refining in bond?—Evidently, because there is no duty paid on raw sugar going into the refinery, and then when the refined sugar goes out of the refinery, it goes either into consumption, and then has to pay the duty, or it goes to export, and then of course it does not receive anything in the shape of drawback, because no duty is paid when it goes in.

4161. You are aware that various objections by refiners have been raised to the system of refining in bond?—The refiners made objections at one time because they thought that the officers would trouble them in their working, but to-day it is only necessary to see the exact quantity going into the refinery, and to follow the sugar, and weigh it when it goes out.

4162. To watch the entry and the exit?—Yes.

4163. The fabricants have for some years manufactured their sugars under a similar system, have they not?—Manufacturers are working on the same system since 1852.

4164. And you have no reason to complain of any difficulty in consequence?—We have no difficulty; we have very honest *employés*, and we have no complaint to make, because the officers see only the sugar, and weigh it when it is finished. They have the key of the warehouse the same as the manufacturers have, but they have nothing to do to interfere with the working.

4165. In order to do away with those bounties in all the various sugar-producing countries, do you consider it is necessary that an International Convention should be agreed to?—It is quite indispensable to have a convention, because if all the Powers that are ready to do away with bounties do not agree together, it will be quite impossible to force other Powers to do so. It would be necessary also for the consumers, as well French as English consumers in general, because if we do not have a Convention it will lead to a war of tariffs between the Powers, and if ever there was a bad crop in one place or other, then the prices would go up again, and the consumers, of course, would pay the odds.

4166. You do not believe that it is in the interests of the consumer of sugar that he should have to rely upon an artificially fostered industry?—I think it is necessary to have trade quite honest, quite free from artificial aids, because if all the Powers, Austria, Germany, and Belgium continue to have bounties, we shall be in a very

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short time obliged to leave off entirely making sugar in France, as well as in our colonies.

4167. In point of fact, cane-grown sugars cannot compete with bounty-paid beet sugars?—No.

4168. And, therefore, if those bounties continue the cane-grown sugar will ultimately disappear?—Yes.

4169. And that will be greatly to the damage of the consumer, because he will have to rely upon an artificially fed industry?—Yes.

4170. What you have said with regard to cane-grown sugar applies to the French colonies?—Yes.

4171. But, in your opinion, it would also apply to the English sugar growing colonies?—Yes, because they are in the same situation.

4172. By having to depend upon beetroot sugar the consumer would, at any time, in the case of the failure of the crop, be liable to pay a largely increased price for his sugar?—Yes.

4173. Therefore, in your opinion, it is for the benefit of the consumer that those bounties should cease?—Completely.

4174. The only mode by which this can be done is by means of an International Convention?—I do not see any other means.

4175. And, in your opinion, it is absolutely essential, in order to bring about such a Convention, that England should be willing to assent to a clause establishing countervailing duties against sugar coming from countries that continue to pay a bounty?—It is absolutely essential, and a proof that we think so is, that as soon as we heard your Committee had been appointed by the House of Commons we asked to come to give evidence.

4176. I understand that unless England is prepared to assent to such a clause as I have indicated it is useless to enter into negotiations for a Convention?—Completely so. If England is not ready to do that, it is quite useless to try to make a Convention.

4177. Do you agree with our English refiners in the opinion that if such a clause were inserted it would never have to be enforced, because it would compel all sugar-producing countries to enter into the Convention?—I am convinced of it, and I have always regretted that the Convention that was to be passed in 1877 did not come to any result, because I am certain that if there had been a countervailing duty put on, all the other Powers would have come to enter into the same Convention, because it would have been their interest to do so.

4178. Then, may I take it that, in your opinion, if such a Convention were arranged, all the sugar-producing countries would enter into it if there was such a clause?—I believe so.

4179. In your opinion the reason why the Convention of 1877 was not carried out was because there was no such clause as that which I have indicated?—At that time they did not think that the bounties would come to such an amount in Austria and elsewhere as they have come to. The Austrian Government thought so too, because every year the Emperor has tried to put a new law so as to take off all the bounty; but the manufacturers there were going quicker than the Government, and by altering their machinery they always had a larger bounty even when the Government wanted to take it away. And the proof of that is, that the Austrian

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Government has been obliged, so as not to pay more than they received, to come to a convention with the manufacturers there, so as to have always the same amount of revenue every year.

4180. Should it not be rather the minimum amount of revenue?—It is not the minimum; it is the absolute revenue.

4181. In your opinion was it the absence of a clause providing for a countervailing duty in the case of bounties that prevented the Convention of 1877 being carried out?—It is not that reason. The reason why the Convention in 1877 did not come to a result is, that the French refiners had always been opposed to refining in bond, as it has been voted by the National Assembly.

4182. But that difficulty has now disappeared?—Completely.

4183. But you also believe that now that it has been ascertained that the Austrian bounty has been found to be so high there is no chance of any other convention being entering into without a clause providing for a countervailing duty?—It is with that condition alone that the French refiners consented to make an agreement with the French manufacturers, that there should be a countervailing duty put on sugar from Austria.

4184. That is the condition on which the French refiners are willing to refine in bond under the Convention?—Yes.

4185. What, in your opinion, would be the consequence of no proposition of that kind being proposed or assented to by England?—There would be nothing done.

4186. Is it at all likely that the French manufacturers would apply to your Government to assist them?—Without that, it is not possible. If there is no convention it is quite necessary that the French Government should give to the French manufacturers the same bounties as other Governments give, or it would be quite impossible to continue the manufacture.

4187. I suppose the argument of French sugar manufacturers and refiners is, that if they were to agree to abolish bounties, and Austria was not also compelled to abolish her bounties, the result would be the gradual extinction of the French trade?—Evidently.

4188. Then, practically, if England does not agree to such a clause as that which has been indicated, England will be preventing the carrying out of the abolition of bounties?—Yes; but I believe that even a threat on the part of England would be sufficient.

4189. You do not believe that even if that were agreed to by England, it would practically ever have to be imposed?—I think it would be sufficient to make a demonstration, to offer a threat, and that immediately Austria, Germany, and all the other Powers, would come to a convention. My own greatest desire is, that there should be no bounty anywhere.

4190. Of course, the amount of countervailing duty would have to be fixed, after full examination, by an international commission?—Yes, that must be done by an international commission.

4191. You would not propose that any steps should be taken to fix the amount of countervailing duty, unless some of the sugar-producing countries declined to come under the convention?—A convention could be made between some of the Powers, and those Powers could fix the amount

Chairman—continued.

of the countervailing duty, and the others might join afterwards.

4192. Article 19 of the Convention of 1864 was as follows: "The high contracting Powers reserve to themselves to agree as to the steps to be taken for obtaining the adhesion of the Governments of other countries to the arrangements of the present Convention. In the event of bounties being granted in the said countries on the exportation of refined sugars, the high contracting parties will be at liberty to come to an understanding as to the surtax to be imposed on the importation of refined sugars of and from the said countries." Would that article, in your opinion, be satisfactory for the purposes contemplated?—Yes.

Mr. Stewart.

4193. How many sugar refineries are there in France?—Thirty-four or thirty-five.

4194. How many of those are in Paris?—Eight.

4195. I suppose by much the largest quantity of refined sugar is sent out by the Paris refineries?—Yes. One house of M. Say produces 80,000 tons of refined sugar every year.

4196. With regard to the agreement which you have handed in, all the sugar refiners of Paris, I believe, have not signed it?—No; some were not in Paris, and it was difficult to get at them to obtain their consent, so that they have not said Yes, or No.

4197. Has the company who turned out that large quantity that you have just named signed it?—Yes.

Mr. Orr Ewing.

4198. Are you familiar with the growth of beetroot?—Yes.

4199. How many tons of beetroot an acre do you grow?—The average is 40,000 kilos. per hectare, the hectare being $2\frac{1}{2}$ acres.

4200. How many tons of beetroot does it take to make a ton of sugar?—It takes from 16,000 to 18,000 tons to make one ton of sugar; it depends, of course, entirely upon the yield of the beet, which varies every year.

4201. You mean that in some years beetroot yields a greater quantity of saccharine matter than in others?—Yes; it varies between 5 per cent. to $6\frac{1}{2}$ per cent.

4202. What is it that injures the beet, is it too much sun or too much rain?—Both, too much heat and too great drought. This year, for instance, too much wet has prevented them clearing off the weeds, so that the beetroot cannot grow; and when the weather is too dry, the earth does not give sufficient moisture to the beet, and it does not grow.

4203. Is the growth of beetroot widespread over France, or is it confined to one department?—It is grown in 23 departments out of the 86 departments in France; but in the northern districts principally.

4204. Is it confined to those departments because of the peculiarity of the soil, or because of the proximity of the refiners?—Because of the soil suiting it.

4205. What kind of soil is most favourable to the growth of beetroot?—Heavy argillaceous clay, in fact, a heavy soil.

4206. Would alluvial soil not suit?—Yes, very well.

4207. Then it is not necessarily clay?—No, but

Mr. Orr Ewing—continued.

but you must be cautious, because in an alluvial soil generally the beetroot is not so rich in sugar as in clay.

4208 A light soil would not be suitable for beetroot?—We can grow it also in a light soil.

4209. Would it produce so much per acre?—No, not so much.

4210. Would the beetroot be equally strong in saccharine matter?—Yes.

4211. Are you familiar with the soil of England, Ireland, and Scotland?—Very little.

4212. You can give me no opinion upon that subject?—None at all.

Mr. Alexander Brown.

4213. Can you say whether the Austrian sugar is finding its way largely to the countries bordering the Mediterranean?—I said previously that Austria has taken the place of Holland in the exportation of refined sugar, in the countries surrounding the Mediterranean, and also has taken the place of the French refiners.

4214. What is the date of the agreement which you have put in?—The 20th of June 1879.

4215. Do you believe that it will be acted up to by all the sugar refiners in Paris, as well as those who signed the agreement?—I think so.

4216. This agreement is signed by some of the French refiners; are they not the principal exporters?—Yes.

4217. And therefore if they would agree to it, it follows that the others would agree to it?—Yes.

Mr. Orr Ewing.

4218. I believe it is but recently that beetroot has been cultivated to such a large extent in France; it was not so some years ago?—It has been grown on a large scale since 1871.

4219. Previously to that it was not so extensively cultivated?—It was grown, but in less quantity on a small scale.

4220. May I ask what was grown on the soil on which they are now growing beetroot?—Pre-

Mr. Orr Ewing—continued.

vously they used to grow plants to make oil with, colza, hemp, and so on; and since beetroot has been grown on a large scale, it is India that supplies us with the seeds to make oil with.

4221. Is land that is well calculated to grow wheat, also well calculated to grow beetroot?—Yes, and wheat grows better after a crop of beetroot.

4222. Do you cultivate wheat?—Yes.

4223. Can you state to the Committee how much wheat per acre you can grow on your land?—Thirty hectolitres per 2½ acres.

Sir James M^c Garel-Hogg.

4224. Has there not been an increase of Austrian bounty within the last few years?—A very great increase.

4225. Has not that had a great effect upon French sugar?—Yes.

4226. And has partly driven the French producer out of the market, has it not, from Holland, England, and other places?—Yes.

Mr. Stewart.

4227. What is the present duty upon refined sugar in France before it goes into consumption?—Seventy-three francs 30 centimes per 100 kilos.

4228. Has that been increased or decreased since the German War?—It has been increased half as much again.

4229. And it remains at that increase?—It remains now at 73 francs, and before the war it was 47 francs.

4230. Is there no immediate prospect, or no proposal to reduce it before the French Assembly just now?—It is desired, but there is no proposition now; but as soon as the augmentation of our revenue will permit of it, of course it will be asked immediately.

Chairman.

4231. The increase in the duty in France greatly increased the bounty, did it not?—Yes.

M. LEON DE MOT, called in; and Examined.

Chairman.

4232. You are a sugar manufacturer, are you not?—A raw sugar manufacturer.

4233. You also grow beetroot?—Yes.

4234. And you have heard the evidence which has been given by the previous witnesses?—Yes, I have.

4235. Do you agree generally with what they have said?—Yes.

4236. You have heard the evidence given as the amount of bounty; do you agree with all that has been said by M. Fouquet as to the amount of bounties?—Not entirely.

4237. In what do you differ?—I differ, because I think we have not taken into our calculation the bounty resulting from refined *poudres blanches* in our account; 8,000,000 francs.

4238. That is a question which I rather pushed M. Fouquet in, because I was under the same impression, that in the amount estimated of 10,000,000 francs bounty in 1876, there was no sum included for the excess yield obtained by the *poudres blanches*?—There was not.

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Chairman—continued.

4239. Do you agree that the amount which must be added to that estimate is 2,573,000 francs?—Yes.

4240. So that in 1876 on an exportation of 167,000 kilos. of refined sugar, there was a bounty, according to your calculation, of 10,000,000 francs plus 2,573,000?—Yes. I calculate it at 12,500,000.

4241. And that, in your opinion, is the amount of bounty last year?—It is. It is very difficult to determine it quite rightly, because there can be different yields from the *poudres blanches*. *Poudres blanches* are richer in a good year; when the beetroot is very rich, you can have 99 degrees of richness, and in another year it would yield only 98 degrees. Therefore it is very difficult to say, accurately, but on an average I think that the bounty can be calculated as you have given it.

4242. That amounts to about 3*l.* per ton upon the export?—Nearly so.

4243. Do you agree with what M. Fouquet has

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has said, with regard to the bounties in other counties?—Yes.

4244. Do you also agree with him that it is useless to expect any Convention to be agreed to without containing such a clause as I have indicated with reference to the countervailing duty?—Yes, I agree to that; it is quite useless without that.

4245. But with that clause, do you believe that all the sugar-producing countries would enter into a convention?—I believe so, certainly.

4246. You as a fabricant also consider that there is no difficulty whatever in working under supervision?—Not at all.

4247. Do you believe that that is the only means by which bounties can absolutely be abolished?—Yes.

4248. You do not believe that any system of types or tests would have the effect of abolishing bounties?—I do not believe so.

4249. Do you believe that where a drawback is given, there must of necessity be a bounty?—Of course.

4250. And the decision of this Committee is, I believe, awaited with some anxiety in France?—Yes.

4251. If England does not assent to a Convention with a clause such as I have indicated, what will be the action taken by the French fabricants?—Then we have nothing to do but to ask for a bounty; or otherwise the half of our manufactories must be closed. We estimate that if we have not a Convention, and if bounties are not abolished, sugar growing in France will diminish nearly one-half, and be only sufficient for the home consumption. We shall not be able perhaps in two or three years to export any quantity of sugar, therefore we will ask from our Government to give us a bounty if the bounty is not abolished in Austria.

4252. And your view is, that if England were to take the initiative, there would be no difficulty whatever in obtaining an agreement to a Convention to abolish bounties?—I believe so, because England buys the sugar.

4253. Do you believe that the existence of these bounties is likely to be of ultimate benefit to consumers of sugar?—I do not believe so; I believe that it is a benefit for the present, but that it will not continue.

4254. Have you any knowledge of the state of the sugar-growing industry in the French colonies?—Yes, I have.

4255. Do you believe that if bounty continues, sugar will continue to be grown in the French colonies?—It is quite impossible, I think; they cannot compete; I am speaking of Réunion and other French colonies too.

4256. Then the result would be to transfer from a natural to an unnatural source of supply, what is used for the refineries?—That would be the result.

4257. What might the consumer expect in case of a failure in the growth of the beetroot crop if he was dependent upon it?—It would increase the price of sugar.

4258. You are aware of the agreement which has been handed to us by M. Fouquet, signed by the French refiners?—I am.

4259. Those who have signed it are the principal, if not altogether the producers of refined sugar for export, are they not?—They are.

Chairman—continued.

4260. You have no doubt whatever that all the refiners of France would also assent to the proposition?—I have no doubt of it.

4261. Have you seen Clause 19 in the Convention of 1864?—Yes, I know that clause.

4262. Do you believe that such a clause as that in any convention would be a satisfactory clause?—It would not, if England does not threaten the other nations with a countervailing duty; without that duty, such a clause is not sufficient. I should like to see the amount of the countervailing duty determined by a clause of the Convention; the amount could be fixed by delegates beforehand.

4263. That, in your opinion, would be the most advisable plan, but still you think it might be possible to carry out a Convention which included a clause binding the signatories to the Convention to put on a countervailing duty in cases where bounties continued to be given?—Yes.

4264. But you would prefer that the amount should be put in the Convention?—Yes.

4265. But you do not think that that is essential?—No, not at all.

4266. Have you anything else which you desire to mention to the Committee?—No. M. Fouquet and M. Georges have given their evidence quite completely.

4267. Generally speaking, you agree with the evidence which has been given by those gentlemen?—Yes.

Mr. Collins.

4268. Suppose that any of the powers that we have been speaking about, Holland, Belgium, Austria, Germany, the United States, or two or three of them combined, object to join in a Convention, what course do you think ought to be taken?—I do not suppose that they would object to come to a Convention, because their interest is to keep the English market, for if they lose the English market, they lose an enormous amount of money.

4269. Are you disposed to believe that Austria would object?—I suppose that Austria will not object; they produce too much for their home consumption.

4270. Do you believe they would willingly consent?—Not willingly, but if you threaten them with a countervailing duty, I suppose they will agree to a Convention.

4271. Why should the production fall off so much in France while the home consumption is so large as it is at present?—Because of the actual price. We sell under cost price actually; and there is no doubt that, if things are to go on as they are, in two or three years the production will diminish.

4272. When you say the actual price, do you mean the cost of growing beet and manufacturing it into sugar, combined?—Yes, the two combined.

4273. Would not a reduction of duty from its present rate of 73 francs greatly increase the consumption in France?—It would.

4274. And would that increased consumption aid you in carrying on the growth and manufacture of sugar with any degree of profit?—Yes, an increase of consumption would aid us greatly.

4275. Without any other extraneous aid, such as we have been speaking about?—Yes.

4276. You

Mr. Collins—continued.

4276. You state to the Committee, from your own great experience as a grower and manufacturer, that you are prepared to say that the profits of growing beetroot and manufacturing it into sugar are so small that, in fact, it would die out in its present condition unless protected by a measure of the character that you have been speaking of?—I think so.

4277. In its present state, with a duty of 73 francs, in view of the present condition of the trade and the consumption, it is your belief that in a short time, within a given number of years, the whole industry would die out unless measures of this kind were taken?—I think so.

4278. The profits at present are so very small?—Very small; in a large part of our factories we work at a loss at the present rate.

4279. Assuming that the profits are so very small, have any of the *fabricants* closed their establishments within the last year or two, and discontinued the manufacture?—Yes, they have. Three years ago the prices were a little higher than they are now, and at that time a certain number of factories were closed. In 1876 the crop was not large, and the prices were going on very fairly. Then a certain number of those factories were sold, and the new proprietors started them again; but since that time the

Collins—continued.

enormous increase of the Austrian bounty brought us into a very bad situation again, and we are not able to compete for a long time with such prices.

4280. And the effect of that condition of things is, that some of the establishments have been closed in the last year or two?—Yes; we expect if things go on as they are next year, that, at least, probably 40 factories will be closed.

Chairman.

4281. You attribute the state of your trade, that is to say, that it is not a paying trade, to the fact of the existence of the Austrian bounties?—Of course we do so.

4282. And when you speak about the probability of the whole industry dying out, you mean if the bounties continue?—Yes, if the bounties continue.

4283. And the result would be that your home industry, and I think I understood you to say your colonial sugar-growing industry, would be practically extinguished?—Yes.

4284. And the consumer then would have so rely upon the Austrian bounty-fed sugar?—Yes, certainly.

4285. Which, in your opinion, would be an unhappy state of thing for the consumer?—Yes.

M.
L. de Mot.
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Tuesday, 15th July 1879.

MEMBERS PRESENT:

Mr. Balfour.
Mr. Bell.
Mr. Alexander Brown.
Lord Frederick Cavendish.
Mr. Eugene Collins.
Mr. Corry.
Mr. Courtney.

Sir James M'Garel-Hogg.
Mr. Sampson Lloyd.
Mr. Norwood.
Mr. Onslow.
Mr. Ritchie.
Mr. Stewart.
Mr. Thornhill.

C. T. RITCHIE, Esq., IN THE CHAIR.

Mr. QUINTIN HOGG, re-called ; and further Examined.

Mr. Hogg.

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Mr. Bell.

4286. I ~~SEE~~ that, in your previous evidence, you spoke of the labour question being settled ; I did not quite follow you in that ; what do you mean by the labour question being settled ?—I meant this : that, immediately after the emancipation, our labouring population were naturally thrown into a state of complete disorganisation. Squatting was so easy that the black people did not care to work ; I may mention, incidentally, to show how different the effects of slave labour and free labour are in a tropical climate that, at the present moment, it takes 2,000 free labourers in the British West Indies to do the work of 500 slaves in Cuba to produce the same crop. What I meant by the labour question being settled was, that the coolie immigration question had been put upon a satisfactory basis. There had been an investigation, and the Indian Government and the colonial authorities all seemed quite disposed to give us the supply of labour which we were able to employ. The labour question was therefore being fairly settled, the Islands and British Guiana were getting moderately populated, and the labour question, the worst of our difficulties, was getting put straight. We also knew that the slave question was limited to a definite amount, that is to say, we were able to say that the slave owners could not grow sugar below a certain price ; their slaves cost them so much ; but when we come to deal with these countries we have an uncertain figure ; the French Government may give a bounty of 5 *l.*, or 10 *l.* or 20 *l.*

4287. But that is outside the labour question ?—It is hardly outside the labour question, because the slave-grown sugar hung upon the labour question.

4288. Are you right in saying that one slave does four times as much work as a free man ?—One slave does four times as much work as a free man.

4289. What wages does a free man get ?—It varies all over the West Indies. The cheapest labour I know is in some parts of Jamaica and Barbadoes. I have known men work for from 9 *d.* to 1 *s.* a day there. A coolie, in Demerara, will earn about 1 *s.* 4 *d.* a day, that is, in seven

Mr. Bell—continued.

hours ; a black shovelman, in Demerara, can earn up to 4 *s.* a day.

Mr. Sampson Lloyd.

4290. Is that in addition to his food ?—No ; he feeds himself. The cost of their living in Demerara is about 5 *d.* a day. That is what was settled by the Commission.

Mr. Bell.

4291. What do you consider, everything included, the labour of a slave, costs per diem ?—It is very difficult to state what the cost of a slave is ; of course you have to take his keep into consideration. To do this large amount of work he is highly fed, and worked tremendously long hours, something like 18 hours a day in the crop season, with intervals for meals, and he is very short lived. That is practically the life of a slave in Cuba at the present moment ; he is highly fed, highly pressed, and short lived, rendering his labour, as we think, a very expensive kind of labour.

4292. That must tell its own story in the end ?—It will tell, and I believe has told very much in the cost of the production of slave sugar.

4293. Can you give the figures as to the production of sugar in Trinidad and Demerara in 1865 and in 1873 ?—In 1865, in round numbers, from Trinidad, the exports were 31,000 hogsheads of sugar, 6,143 tierces, 5,215 bags and barrels.

4294. Have you the weight ?—The weight would be about 35,000 hogsheads.

4295. — suppose we may take it at 16½ cwt. to the hogshead ?—Yes, I think so. In 1873 it was about 57 00 hogsheads.

4296. Will you now give the quantities for Demerara ?—Demerara I have both separately and united with the West Indies.

Chairman.

4297. Can you give us any later year than 1873 for Trinidad ?—I think I gave the exact figures for 1876 from the Blue Book, only they were in pounds and not worked out into hogsheads. The total exports from British Guiana

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Chairman—continued.

to the United Kingdom in 1865 were 73,000 hogsheads, and in 1876, 102,000 hogsheads. The total from the British West Indies and British Guiana in 1865 was 190,000 tons, and in 1876 it was 249,000 tons.

4298. Does that last amount include the former that you gave us?—Yes, that is the whole of the West Indies and British Guiana, in tons.

Mr. Bell.

4299. Have you the difference of price between those two years?—Yes, in 1865 the average price of West Indian refining sugar of this quality (*producing a sample*) was 23 s. 7½ d., and in 1876 it was 21 s. 7½ d. But I ought to mention that, at the end of 1876, that is to say, in November and December, we were affected by the failure of the beetroot crop, and the price jumped up from 21 s. 6 d. to 30 s.

4300. What was the price in 1875?—In 1875 it was 21 s. 7 d., and in 1878, when we got out of that failure of the beetroot crop, it was 20 s. 5½ d.

4301. Was that the price in London?—In London.

4302. You say that you can grow sugar in the West Indies as cheaply as any country in the world?—We believe we can; I would rather say that we can put sugar in this market as cheaply as any country in the world.

4303. *A fortiori* you can grow it much cheaper?—I hardly think so, because there may be parts of China inland where the labour is almost a bagatelle, and where there would be a heavy charge to bring it to the port, and it would cost from 3 l. to 5 l. per ton, to bring it here.

4304. My question had rather reference to sugar grown in the West Indies as against sugar grown in Europe; you consider that you can grow it as cheaply as any country in Europe?—Yes.

4305. Have you formed any idea as to the cost of growing sugar in Europe?—Yes, I have here a book which was written by Mr. Hittorf, who is a sugar engineer, in the year 1875. He is there arguing for an increase of the French bounties, and he says, "England is such maritime power that it could always override our industries;" and then he goes on to say, that "The necessity of protecting the beetroot sugar industry is equally true in our days as it was 20 or 30 years ago. Statistics show us the present flourishing condition of the English refineries, in spite of the bounties accorded by all Europe, and it is easy to understand what would be the power of English production if these bounties did not exist."

4306. By English production he means the production of the West Indies, I presume?—He means the West Indies. He also says, in another part, that it is perfectly impossible for France to execute the Convention of 1864 if she is to compete successfully with Holland and Belgium, on account of the bounties which are given; and again he says, "I do not think, even with the bounties, that raw beetroot sugar can long compete with the West Indian sugar." Those are his statements as a reason for wanting extra bounties. The West Indies have a great natural advantage in growing so much more to the acre, and the land and the climate much more suitable to the production of sugar. At the time he wrote that the price of French loaves was 29 s. per cwt.; he was complaining then that he was

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Mr. Bell—continued.

not able to produce at a profit. That price would suit us admirably.

Mr. Eugene Collins.

4307. Was that the price in London?—That was the price in London. We say that, if in 1875 they were complaining that they could not compete, and that those prices were not remunerative, how much less can they be so now; and I think the French witnesses themselves stated to you last Friday, that they were certainly not making money, and that they would be themselves compelled to beg for a bounty, otherwise they must be crushed out. That shows that, at those prices, they cannot produce; I think we may take that as a fact.

Chairman.

4308. Does not that book give a price per acre or per ton?—It does not give a price per acre or per ton; but I know that in France, as in the West Indies, the cost of production varies very much indeed. The French witnesses mentioned, in the West Indian Committee when they were over here, that they considered that about 5 l. per ton more would be necessary to enable them to produce at a profit.

Mr. Bell.

4309. But the writer whom you quote does not make good his position by adducing any figures?—No, it is simply a mere statement by a man connected with the French refineries; I only put it in for what it is worth.

4310. I think you must admit that it is not worth very much?—He is a fair authority, I believe, on these subjects. He was very much quoted at the time he wrote.

4311. At Question 3868 you mentioned that Demerara alone could supply the entire consumption of Great Britain?—Yes.

4312. According to some figures that I have taken out from the Board of Trade Returns, our consumption is well on to three-quarters of a million tons a year?—It is about 800,000 tons, and British Guiana exports about 100,000 tons; but it is merely a question of progress to enable it to supply the whole consumption of this country. In Demerara alone we have scarcely begun to cultivate the colony at all.

4313. Then between your opinion and Mr. Lubbock's I see there is a discrepancy about the produce per acre; you mentioned that an acre of land in Demerara, or at all events in one of the West India Islands, produced 30 tons of cane?—That was in Demerara, not in the Islands.

4314. And that from that you got 15 per cent. of sugar?—From the juice from that we get 15 per cent. of sugar. In the cane there is about 12 to 15 per cent. of woody fibre.

4315. In raw sugar, what do you make that to be?—We practically get about half of what there is in the cane at the present moment. We get, say, from 6 to 7 per cent. in sugar from our canes in the best work.

4316. That would be fully two tons of sugar to the acre?—It would be fully two hogsheads per acre in Demerara. In a good average year, I should think we do not get less than two hogshead an acre, which would be 36 cwt., on a well-worked estate.

4317-8. Mr. Lubbock gave it at a ton and a quarter to a ton and a half an acre?—I think he gives

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Mr. Hogg.

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Mr. Hogg.
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gives that for the West Indies, because the canes in the West India Islands are not so large as in Demerara, although they are rather sweeter.

4319. You wish it to be inferred that Great Britain would do very badly if through any action of hers the money spent in the West Indies for labour should cease to be so spent?—I think it would be the very gravest misfortune to the people that England has freed. I should say that we have spent 20,000,000 *l.* sterling in freeing slaves to starve them.

4320. But there is nothing that we are doing at present that is tending to get that money back, I suppose?—Simply the reward of a good conscience, which, I suppose, is something.

4321. But I cannot even take credit for that, because it was my forefathers who did it?—I think we, as a country, can fairly take credit for freeing the slaves.

4322. The history of the country can, but I do not know that, individually, that would stand to our credit?—Put it, if you will, to the country.

4323. However, as a mere matter of book-keeping, I think you will allow that we are not in a fair way of getting any of the 20,000,000 *l.* back?—I should say that you were. The West Indies, if it is put on a fair basis with regard to the Continent, will become a very great and permanent source of revenue and profit to this country. Would not the fact that I adduced when I was here last, as to Demerara taking 1,250,000 *l.* worth of machinery, prove that the West Indies are, to a certain extent, good customers to this country?

4324. I noted that you took 1,250,000 *l.* worth of machinery, and that was spread, I think, over 20 years?—Yes, that is one colony.

4325. What is that a year?—It is about 75,000 *l.* a year. That is one item.

4326. That may be a large amount for the colony to take, but it is not a very large amount for even one manufacturer here to send, although I do not wish to underrate the worth of it?—If there is any objection to taking one item, take what the whole of the West Indies take from England. They import to the amount of about 2 *l.* per head from this country; the population being about 1,750,000.

4327. You attached importance to the fact that there were 300,000 tons of sugar brought to Great Britain in shipping from the West Indies?—I mentioned that as an incidental loss.

4328. And you said that the freight of that was from 2 *l.* to 2 *l.* 5 *s.* per ton?—Yes.

4329. And you said that you considered that of importance, because you set against it a very much less sum to be paid in freight from France?—I did.

4330. Then, at that rate, the further Demerara was off this country the better?—No; I think what I adduced from that was this, that a cheaper freight would be a great benefit if we could depend upon our source of supply, but that if you were merely getting this temporarily, you would not only be losing a permanent source of supply, but also losing a temporary employment of British shipping.

4331. In former years that employment of shipping might have been an advantage to this country, but since the repeal of the navigation laws, I suppose that if you had freight offered in a foreign bottom at a less rate than you could get it in a British bottom, you would not hesitate

Mr. Bell—continued.

as to what kind of vessel you would send it in?—Yes, I should. I very much prefer English ships.

4332. Can we estimate the amount of your preference at 2 *s.* 6 *d.* per ton?—The amount of my preference would be that unless a foreign ship is a very good one indeed, my orders are not to engage her. The great bulk of foreign ships, so far as my experience goes, are not so good, nor so well sailed, nor so safe, as English ships.

4333. And you estimate that at 2 *s.* 6 *d.* per ton?—I should estimate that at quite 3 *d.* per cwt.

4334. But you do not base your 5 *s.* per ton preference upon the fact that she is a British vessel, but that she is a British vessel and a better vessel?—Yes, that she is a better vessel. My experience teaches me that British vessels are the best.

4335. We will change the position of the vessels; I will give you a good foreign vessel, and a bad English vessel; which should you prefer?—Then, of course; one would choose the good foreign vessel; but, as a matter of fact, this country has the best vessels, and we need not take a hypothesis that she has bad ones.

4336. And that is the reason you choose the British vessels?—Yes, and that is the reason why the loss falls so heavily upon this country.

4337. You do not choose her because she is a British vessel, but because she does the work better?—Yes; but we know, as a matter of fact, that she is a British vessel, and that, as a matter of fact, the loss falls upon the British shipowners. Surely we need not quite go into hypotheses when we have facts to deal with.

4338. But the impression left upon my mind by your statement was that it was entirely a patriotic motive, whereas, really you take the British vessel because she is the better vessel?—If they were equally good, a man would naturally take a vessel of his own country in preference to another.

4339. I do not know whether it is worth while going into opinions with regard to the advantage of spending money in promoting an industry in one country on the ground that the money devoted to such a manufacture would be spent in the country; I suppose, after all, you cannot carry that doctrine very far?—I think you can carry that doctrine very far whenever you are dealing with a case similar to this; that is to say, when you are dealing with an industry being forcible and artificial extinguished.

4340. We had some evidence, at our last sitting, from the French manufacturers, which went so show that foreign nations seemed to be bidding against each other in this matter of bounty?—It certainly would seem so by their evidence; it would seem that they would appeal for a bounty upon raw sugar themselves.

4341. And that is one way in which they are competing amongst themselves?—Yes.

4342. Austria is now giving a higher bounty?—Yes, and France wants to raise hers.

4343. Of course believing that her own interest is promoted by that line of conduct. That must present more or less of a difficulty in the way of these nations coming together under one convention, must it not?—I do not think you can deduce that from it; I would rather say that France turns to this country as she did at the convention,

Mr. Bell—continued.

convention, and says, "Now, we will enter into a definite treaty with you provided that you will give us fair play. We, Belgium, and Holland, will all join with you, if you will put all sugars on a fair basis." England says, "No, we will not put sugar on an equal basis." The French delegates then got up and said, "Very well, upon England must rest the responsibility of this convention falling through." They then took care of themselves. That is the deduction which I should draw from it.

4344. In other words, France continued to pay a bounty so long as it suited her purpose; and now, finding that somebody else can play the same game, they are beginning to repent their bargain?—Apparently, their repentance is taking the very curious form of increasing their sin.

4345. However, in some way or another, we have managed to get raw sugar into this country a great deal cheaper?—I have no doubt that if these French gentlemen can carry out their threat, and get an export bounty on raw sugar, the consumer in this country may even get his sugar a farthing a pound cheaper.

4346. Under those circumstances the quantity imported into and consumed in this country has immensely increased within the last 20 or 30 years, has it not?—There is no doubt of that; but what I tried to point out in my evidence last Tuesday was, that I think we can hardly expect the increase of consumption in this country to go on *ad infinitum*; there must be a point at which the limit of the consumption of the country is reached, and from which the increase will go on very much more slowly than of late.

4347. I quite agree with that; but I see it has increased fourfold in the last 30 years?—I think in 1848 the consumption was 22 lbs. per head, and now it is over 60 lbs. per head. We have no statistics as to what a nation which was very flourishing, would consume, with cheap sugar.

4348. We have gone on increasing, and I suppose it is only fair to assume that that great increment has been partly the result of obtaining very cheap sugar?—No doubt.

4349. I see that, for the four years ending 1867, the actual consumption in the United Kingdom was 510,000 tons, taking the average?—Yes, it is about that.

4350. Then I see it is now, in the three years ending in 1878, 760,000 tons?—Yes, it is fully that.

4351. That is one-half more in 11 years?—In 1867 the consumption per head was 44 lb., and in 1877 it was 56 lbs., showing an increase of 25 per cent. in 10 years.

4352. Therefore the gross amount of wages paid for refining sugar in the United Kingdom must have increased very much?—A great part of this sugar is brought in as refined sugar, and that is part of the refiners' grievance; 100,000 tons of this came from the Continent, and 80,000 tons came from Demerara in a state fit for consumption, and requiring no refining.

4353. Chiefly as refined moist sugar?—What is called Demerara crystals.

Mr. Courtney.

4354. Do you know what the consumption of sugar is in the colony of Victoria?—I saw it returned, a short time ago, as 66 lbs. per head, but that return has been challenged.

4355. Are you aware that the importation of
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Mr. Courtney—continued.

sugar into Victoria exceeds 1 cwt. per head?—I was not aware of that. I saw it stated, two or three years ago, that it was 66 lbs. per head, and a gentleman got up and indignantly denied it, and said it was not so.

Mr. Bell.

4356. That seems an enormous quantity, and I confess I am rather surprised that every man, woman, and child can get through 66 lbs. per head; but I presume a good deal of sugar is consumed in manufacturing processes?—I fancy that not more than 30,000 tons are taken by the breweries.

Mr. Courtney.

4357. What is the consumption in France now?—260,000 tons; and I suppose you may take the population roughly at 40,000,000, making 14 lbs. per head.

Mr. Bell.

4358. You made some statement as to the allegiance of some of the West Indian Colonies being likely to be tampered with by the United States?—I do not think I laid the United States open to that accusation; what I said was, that the United States were anxious to have a sugar colony, and they are also anxious to find new markets for their goods. As regards the first point, I may mention that President Grant, when he was in office, tried to get San Domingo; and if he comes back to office, I am told by those who know him, that one of the first things he will do, will be to endeavour to get hold of Hayti and San Domingo; Louisiana and the Sandwich Islands not being nearly sufficient to supply the consumption of the United States. I do not think they have ever tampered, in the smallest degree, with our allegiance in the West Indies; but they have semi-officially sounded us.

4359. Not semi-officially, I think?—I said through the United States consul at Demerara.

4360. No; I think you said through a friend of the consul; I think that can scarcely be considered semi-official?—I took it as such; I may have been wrong.

4361. After all, the amount of business that they could transact with your colony, at all events, would be limited by these 40s. per head; would that be so?—That 40s. is in addition to what the British West Indies take from America now; 40s. is not the total quantity of goods that they consume per head, but the amount that they take from the United Kingdom alone. They take a large quantity from America in addition.

4362. I suppose it would not be an incorrect way of judging of the probable amount of business that you would do with the United States to compare it with the amount of business which they do with countries with which they are already trading largely?—It would not be at all fair for you to take the average of those countries, because the effect of a treaty, such as I spoke of, would practically be to give America a monopoly in the Demerara market as against England; so that you must take the amount of business done with America, plus that done with the United Kingdom.

4363. On the other hand, you must take the amount of business done between this country and America; do you happen to remember the amount of imports from America into the United Kingdom?—No.

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4364. Speaking

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Mr. Bell—continued.

4364. Speaking from recollection, I believe it is nearly 60,000,000 *l.*?—Yes, I should think it was fully that.

4365. They do not seem to base any argument why they should take our products upon the fact that we import 60,000,000 *l.* worth from them?—No, because we do not produce solely that (as we do in Demerara) which they require. In Demerara we produce something that they cannot produce in sufficient quantities at the present moment in America.

4366. How do you know they cannot?—Because they have tried it by protective duties of 10 *l.* per ton, and they cannot produce all the sugar that they eat.

4367. It takes a long time, does it not, to establish?—It does; and, meanwhile, they would be very glad not to see the horse starved while the grass is growing.

Mr. Sampson Lloyd.

4368. You have just been asked a question, in which it was suggested that America does not show any willingness to take our products, although we take hers; but is there not a very great difference between that case and the case of a colony absolutely united to America, and made as it were part of America, either by political incorporation or by a commercial treaty?—There is very great difference; because, in the one case, you would have a monopoly almost, and in the other case it is merely ordinary trade, which is checked very much by prohibitive duties on the one side at any rate.

4369. So that, although America shuts us out by a prohibitory tariff, it is no proof at all that she would shut you out, and would not give you a very large and excellent market for your products, if you did what I should so much regret, that is to say, join America?—Of course the whole object of America in making a commercial treaty with Demerara would be to get a market for her produce, whereupon she would take ours upon exceptionally favourable rates.

4370. In fact, she would treat you as she now treats the State of Louisiana?—Yes, exactly; and I may mention that she actually treats the Sandwich Islands on that basis now.

4371. Then we may presume that, in talking about the danger of annexation of our West Indian Colonies to America, you do not mean to express any opinion that such a union is imminent, or that any negotiations have been made for it, but that such and such would be the results in case it unhappily took place?—Yes; and I think further that it is exposing the inhabitants of the West Indies to a very unfair tax upon their loyalty for the English Government to shut them out of the only markets open to them.

4372. You were asked a little time ago about the hypothesis as to British vessels; and I think you said that, as a matter of fact, you employed British vessels, because they are better; I presume that what you meant by your evidence was this: that as a matter of fact, British vessels are now employed from whatever motive?—They are employed very largely in the West Indian trade.

4373. If the West India sugar colonies were either absorbed by some foreign nation, or if their industry were entirely destroyed, then, as a matter of fact, from whatever motive, British

Mr. Sampson Lloyd—continued.

vessels would not be employed?—They would not be employed; whereas now they would be more largely employed if we were let in at a fair rate into the British market.

4374. And the same remark applies, to the same extent, to other British industries?—It does.

4375. Therefore, what you mean to say is that, as a matter of fact, there is a loss to Great Britain, attaching to a particular policy which would not attach to another policy?—I think there is a present loss, and a very imminent future loss.

Mr. Thornhill.

4376. Is it your opinion that, if things go on as they are now in the greater part of the West India Islands, it will be necessary for them to go over to America, or else to be utterly ruined?—The process of abandonment has already begun in a good many of the islands. I stated, in my evidence last Tuesday, that at least 50 estates are to be abandoned in the West Indies, but two or three gentlemen who are very well acquainted with the West Indies, tell me that I have much understated it, and one gentleman gave me the names of four estates that he is abandoning in Jamaica now; 12,000 *l.* was refused for one estate a short time ago, and now it is being abandoned.

4377. Has it been talked of at all in the West Indies generally, that if England abandons us and leaves us to be ruined, we should go to America?—I have heard the subject bruited, but always with great regret. We prefer to have a natural connection with the mother country, but if we are told "You may starve, or not, just as you like, so long as we can get our sugar at an unnatural price we do not care what happen to you"; if it is put upon that basis, you are opening the door to the colonists saying, "Well, if loyalty is reckoned at a farthing a pound, we had better look after ourselves."

Mr. Bell.

4378. The honourable Member asked you what was the relative position which the colony would hold with regard to America, in the event of annexation; and he pointed out to you that the conditions of this country and of the colonies, if annexed, were not parallel, in which you agreed?—I think the honourable Member's question had reference to annexation, or union, by commercial treaty.

4379. But if it was a union by commercial treaty, then so far as the two countries were concerned, you would stand exactly in the same relation as we do, or might do, to the United States of America?—We should stand in that position politically, but not commercially, because if we opened our markets almost solely to American goods, American shipping would be very largely used.

4380. But you would be a foreign country as we are a foreign country?—We should be a foreign country, but very closely united.

4381. And, with ourselves, as a foreign country, the Americans have not felt very much disposed to make commercial treaties?—I think there are very definite reasons for that.

Mr. Sampson Lloyd.

4382. Is not the difference that we give America no special advantages over other countries

Mr. Sampson Lloyd—continued.

tries whilst America shuts us out by prohibitory duties. On the hypothesis of a commercial treaty it is assumed that America would give you special advantages which she does not give to any other country, and that you would give the United States special advantages which you would not give to the mother country?—That is quite so.

Lord Frederick Cavendish.

4383. You stated just now, did you not, that it took 2,000 free labourers to do the work of 500 slaves?—About that.

4384. How do you account for the fact of the cotton crop of America having, on an average, been as large, if not larger, since the abolition of slavery than it was before?—I have not looked into that matter at all; I was dealing solely between the British West Indies and Cuba.

4385. But if it is the case that the cotton crop in the United States has, on an average, at least maintained itself since the abolition of slavery, would it not lead to the hypothesis that, under certain circumstances, free negroes will work as well as slaves?—I do not think that that is necessarily so. You would have to establish, first, that none but negro labourers were employed in the cotton plantations, and that the introduction of Chinese into the west and elsewhere had no effect upon labour in the south.

4386. Have you heard of any Chinamen being employed on the cotton plantations of the United States?—Not in the cotton plantations; I think I said that the introduction of labour into one portion of the United States might check the demand for labour.

4387. Does not the maintenance of the cotton crop in the United States lead you to doubt whether, in certain circumstances, free negroes would not work as well as slaves?—My experience in the matter is that it would not; I have tried the free-labour question, I think, in every possible way in Demerara, and in other colonies; in Demerara, the rate of wages is very high; a free black shovelman will earn a dollar a day, and he has his house found and medical attendance found, with a piece of land to cultivate, if he chooses to take it; that is 25 s. a week for a black shovel-man, which is very handsome wages, considering that he wants no fuel; he only wants clothes to wear on Sundays for smartness; he does not wear them at work; he does not want any boots; he gets free education for his children, and he pays no house-rent; he earns more than double the wages of an English agricultural labourer; the effect has been that, as you reduce those wages, so you increase your supply of labour, and it could be proved clearly by the manager of any estate in Demerara that a fall of wages means an increase in the supply of labour.

4388. You have spoken of the danger of these negroes being reduced to a state of starvation; do you not think that rather than starve they would work harder?—I think that is the only thing that will make the present generation of negroes, the younger generation, work; there is no instance that I know of in the West Indies where they work so as to better their position very much; you may find isolated instances of it, and you find amongst the old slaves many instances of it.

4389. Should you say that the negroes employed upon a sugar plantation in Jamaica, for 0.104.

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instance, were better off than those owning their own land, and working on it?—I think that opens rather a wide question. I would say, as briefly as I can, in answer to that, that the negroes in Jamaica owning their own small plots of land, produce provisions which they sell to the labourers on the sugar plantations, and, if the sugar plantations disappear, their customers disappear; and, therefore, I think the position of the squatting negro would then be a very poor one indeed. I think his prosperity depends very largely upon the neighbourhood of large sugar estates, and his being able to sell to the labourers there.

4390. You have spoken of the loss of the large sums spent in wages, and of the consequent starvation of the population; do you believe that, in an island like Jamaica, if sugar planting was given up the population would be unable to maintain itself?—I say, without the smallest fear of contradiction, that the effect of abandoning sugar cultivation in Jamaica would be that a large portion, at any rate, would lapse into barbarism. The schoolmaster and the clergyman cannot possibly follow those people into a country where there are very few roads, and which is very difficult to get to. I say that the black people in large numbers would abandon even the nominal faith of Christianity, and go into fetishism. That has already taken place in districts where sugar estates have been abandoned on a large scale.

4391. But surely in a large portion of Jamaica the blacks who own their own little properties are doing very well?—In a great number of cases they are, and wherever there is a large number of them gathered together, so as to enable school and mission work to be conducted, they do fairly well. I am talking of those who squat all over the hills in half-dozens in little hamlets, and there is an increasing disposition in the Jamaica negro to do that.

4392. You have spoken of the imminent starvation of this population; have you ever known a case of starvation in the West Indies outside of Barbados?—No, certainly not; I should say it was a land where the means of subsistence was very cheap, and that with anything like ordinary wages, with very moderate wages, a man can support himself.

4393. The proportion of blacks in Jamaica working upon the sugar plantations to the entire black population is very small at present, is it not?—Very small; but in taking Jamaica you are taking an exceptional island, an island which produces comparatively a very small quantity of sugar.

4394. But in all the islands, with the exception of Barbados, the means of sustaining life are exceedingly abundant, are they not?—They are.

4395. And there is no real fear of that population being reduced to starvation?—I should say that there is fear of their being reduced both to starvation and to barbarism, because their sole means of getting wages is the sugar estate. You may take the production of the other West India Islands to be very small indeed of anything except sugar.

4396. There are various minor crops, are there not, such as sugar and pimento?—Pimento fails about five years out of six. I think there has not been a pimento crop for five years. That is produced

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in Jamaica alone, and it seems to grow in no other place; and there is no such thing as a pimento estate. Pimento is merely a tree that happens to grow on a cattle pen; it is not a crop; it is an incident.

4397. There is cocoa, is there not?—Cocoa grows pretty largely in Trinidad; I should say, perhaps, equal in value to a quarter of the exports of sugar. It does fairly well there.

4398. The main part of their wants they can supply out of their own gardens, can they not?—They can, very largely.

4399. But, as I understand, you consider that at present this black population only works one-fourth as much as they used to do in the days of slavery?—Yes, I should think so.

4400. Would you not think it likely that if they were a little bit nearer starvation than they are at present, they might be induced to work a little harder?—I am afraid that has not been the experience hitherto.

4401. You spoke also of a large loss to this country from the profits which would be spent in this country; although foreign countries seem inclined to give us sugar very cheap they are not willing to give it us for nothing?—No, certainly not.

4402. Then I suppose we give them something in return for it?—Yes, we give them something in return; we pay them for it.

4403. Can we give them that return without employing people?—We may give them that return in money. Our exports are not so large as our imports.

4404. How do we obtain our money to pay for it?—That is a very large question, but the money comes in a great variety of ways; it comes, amongst other ways, from the interest of money invested.

4405. But can we, speaking generally, obtain money to pay for these things, except by producing something?—Not in a country that has not an enormous accumulated capital, but in a country with a large accumulated capital, and with interest pouring in from all parts of the world, it is possible to buy a great deal whilst producing a very little.

4406. But, over and above a certain amount, all imports must be paid for by exports, must they not?—When you have come to the end of the interest, and other things of that sort.

4407. Therefore if foreign countries are willing to give us a large supply of sugar, we shall have, somehow or other, to give them a larger amount of export?—Yes, in goods or money.

4408. Which we cannot do without producing something?—Do you think that is quite proved that we have come to the end of our purchasing power without exporting? If that statement had been made three years ago when the relative proportions of our exports and imports were very different from what they are now it would have been quite a *non sequitur*. If we had reached the limit of our exports some years ago the relative proportions of our exports and imports would not have changed, but they have decreased, and why should they not continue to decrease?

4409. Having to pay for the imports by exports, we must produce something which must give a certain amount of employment and cause a certain amount of expenditure in wages?—But have we proved that we must pay for them by exports? I say we pay by exports plus cash.

Lord Frederick Cavendish—continued.

4410. We cannot permanently go on exporting cash?—No, not permanently, but what I said was this: that where there is a large funded capital in a country, a large quantity of money may go away from it in payment for imports thereby pauperising the country very much.

Mr. Eugene Collins.

4411. You said, did you not, that the British West Indies could grow sufficient sugar for the entire consumption of England?—Yes, easily.

4412. Would the encouragement afforded by the proposed countervailing duty of 3 l. lead largely to the result that you contemplate?—I think it would lead gradually and steadily to it. The West Indian production was increasing very steadily up to a recent date. In 1860 it was 177,000 tons; in 1861 it was 189,000 tons, and so on until you got to 230,000 tons in 1874; 268,000 tons in 1875; and 246,000 tons in 1877; the slight falling off in 1877 being owing to a climatic cause.

4413. And that without any special encouragement?—Rather in spite of adverse circumstances I should say, because we were feeling the effect of the French bounty slightly.

4414. Have you ever estimated to about what extent in tons the production would be increased by this 3 l. duty over a period of time of, say, five or ten years?—If the natural production of the West Indies had not been checked, I quite think that, by the end of the present decade, we should have reached an export of over 300,000 tons, at any rate.

4415. But that 300,000 would fall very short of the 800,000 tons, which is our consumption?—Very far short indeed.

4416. What means, then, would you employ to increase it to the extent of the 800,000 tons which we have been speaking about?—I think it would increase gradually in that direction; we could not do it all at once, partly because of the labour, which I have just been speaking of, and also because capital cannot be poured in to produce half a million of tons of sugar in a moment; but it would go on steadily increasing.

4417. Under the encouragement afforded by a 3 l. countervailing duty?—Yes; that is on a free-trade basis, when the market is equally open to us as to others.

4418. Would not the effect of this increase be to destroy the production of beetroot sugar in Europe?—I hardly think that. We could hardly hope to compete with beetroot sugar in the centre of Europe; we should there have heavy railway carriage and other things, whereas the beetroot would be produced on the spot. I think the beetroot sugar industry has a very fair opening before it to supply their own people in places where the carriage would be very greatly against us; but I do not think that the beetroot sugar could compete with us in our own market; that is to say, I think our profit on selling sugar at 30 l. per ton would be larger than the profit on the beetroot sugar sold at the same figure.

4419. Are you aware that the very able and intelligent French witness that we had here the last day, stated that the difficulties attending the cultivation of beetroot sugar at present were so great in France, owing to the competition and the price, that they were on the verge of being ruined?—

Mr. Eugene Collins—continued.

ruined?—Yes, I heard that statement, and I had some conversation with them about it.

Chairman.

4420. Owing to the Austrian bounty?—Owing to the Austrian bounty.

Mr. Eugene Collins.

4421. If they were supplanted in the markets of consumption, we will say in England to any considerable extent, would it not also lead very largely to that result?—It would lead no doubt to a diminution of the present production of sugar in France. It would be reduced a good deal to what they could consume themselves and, perhaps, a very slight export trade to this country.

4422. If we are to believe their evidence it would take very little, in fact, to ruin their industry. It was stated by one of the witnesses that, during the last year, as many as 40 of the establishments were closed; even in the present state of things, and he went on to say that, with a very small increase of difficulties, the production in fact would be almost ruined?—I think you must look this fact in the face, however, that the French people are handicapped, to a certain extent, in the same way as we are. They get a small export bounty on refined sugar, but they get no export bounty on raw sugar. Therefore they are unable to compete with the Austrian, who gets a very large bounty on his sugar.

4423. Do you not suppose that the limitation of production in France, even in a degree, would have the effect of raising the price of sugar very considerably in this market?—If it was not made up from other places I think it would. You must, I think, always bear in mind that when sugar goes to a certain price the consumption is checked. Now, in 1876 and 1877, when the price of sugar ran up to 10 *l.* per ton, the consumption was manifestly checked in this country and, in fact, all over the world.

4424. One of the objections that you put before the Committee was this: that the destruction or limitation of the cane sugar industry in the West Indies would have the effect of greatly increasing the price against the consumers of sugar in this country?—Yes, it is so.

4425. It occurs to me in connection with the questions that I have been putting to elicit your opinion as to the effect of the destruction of the beetroot sugar industry in European countries on the consumer in this country?—Of course, if the beetroot sugar production was destroyed, it would be a great misfortune to the consumers of this country. It would be a misfortune to the consumer to be dependent, either upon the cane or upon the beet; I certainly do not think that the admission of cane sugar free to this country on the same terms as the beetroot sugar would operate so prejudicially against the beet as to destroy it. It would limit the amount of beet brought to this country until the price went up. The moment the price went up beet would be poured into this country again.

4426. I believe you can produce sugar in the West Indies at present on well-managed estates to pay some profit?—If you will allow me to take exception to the words "well-managed," I would say "exceptionally well situated." There are just a few estates where they can produce sugar at a profit at these prices, or at 3 *l.* per ton

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lower. For instance, there is one estate which sells its rum at 7 *s.* per gallon; it does not care about its sugar crop; its rum crop is all in all; but the number of those estates in the West Indies is very few. There are estates in my own knowledge which pay 20 or 30 per cent., and they could continue to do so at these prices; but you may number them almost upon your fingers. They are little gold mines which cannot be considered at all as specimens of estates in the West Indies.

4427. But there are some that have paid even last year as much as 20 or 30 per cent.?—There are a few under very exceptional circumstances.

4428. But, generally speaking, taking the average, and the two conditions of well-managed and fairly well-circumstanced estates, about what per-centage do sugar estates in the West Indies pay at the present time?—At the present time nothing at all.

4429. What did they pay last year?—Last year nothing at all; if you take the average of the estates through the West Indies it is a dead loss, allowing no interest whatever.

4430. When arriving at that estimate of loss do you charge interest?—No; we allow no interest whatever on capital at all. There is a dead loss on all the sugar estates in the West Indies taken as a whole.

4431. Do you not derive a certain amount of benefit otherwise, say, in commissions on sales?—The merchant does doubtless, but not the proprietor. I happen to be both a proprietor and a merchant, so that I get that advantage.

4432. Is it not the case, to a large extent, that the growers are both the merchants and the commission agents?—I should say not to a very large extent; that is my own case, and that is the case of the Colonial Company, but I do not know many other cases. I should think that not 20 per cent. of the produce in this country comes home to its proprietor; they nearly all find it better to employ merchants.

4433. Can you tell the Committee what is the production in the West Indies at the present time compared with that of 10 years ago, taking the consumption in the islands altogether?—I have got Demerara and the islands joined together; and as I have Demerara by itself, I could eliminate Demerara from it, if you wish it; I can give the total production of the West Indies in the last 10 years; in 1865 it was 190,000 tons, and in 1875 it was 268,000 tons, that would be including British Guiana; that is the total export sugar from the British West Indies.

4434. But in addition to the exports, have you any means of estimating the amount taken for home consumption?—It would be very trifling.

4435. Not perceptibly different between the two periods?—No.

4436. Do you not think that by improved appliances, by an increase of capital, better machinery, and all the appliances that intelligent men are obliged to introduce in the present time for the purpose of meeting competition, the production might be increased and the cost reduced?—I have no doubt that it might be done to a small extent, if you will allow me to answer for the Colonies separately, for they are under different conditions. Barbados and a great portion of St. Kitts are very old fashioned in their contrivances,

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contrivances, but they produce sugar cheaper than any place in the world, so that you may put them on one side and leave well alone. With regard to Demerara, I think Demerara is as well found in machinery as any place in the world. On one of my estates I have a complete set of French machinery made by a French engineer, so as to imitate the sugar required for the French market. So successful was that, that the first cargo I sent to France was seized as beet sugar. I had them side by side, the same machinery which the French use, and also a complete set of machinery made by English engineers. I have a complete French refinery out there side by side with an English one, and made from beginning to end by a Frenchman, and managed by a French chemist, a man I brought over from France; he was with me for two years, and he manufactured over 1,000 tons of sugar in this French machine.

Mr. Balfour.

4437. You say that you did this in order to import the sugar into France?—I did it for this reason: that the French bounty does me no harm if I send my raw sugar to France in a French vessel, although there is a surtax upon the sugar sent in English vessels. A point which has already been raised by one honourable Member in his examination, was that a French refiner could afford to pay a better price for raw sugar if he got this bounty upon refined sugar, and it was an attempt to get the benefit of that higher price which the French refiner could pay which led me to do this.

4438. Why should you not ship English manufactured sugar, say in a French vessel?—Because I wanted to get a sugar with salts in, by which the French manufacturer gets his profit; there is a very much larger amount of soluble salts in beetroot sugar than there is in cane sugar. The French Government allow a loss of five per cent. of crystallisable sugar for every one per cent. of soluble salts present in cane sugar.

Chairman.

4439. The salts not being really salts, but a technical name?—Quite so.

Mr. Balfour.

4440. In fact, your attempt was to produce the same kind of sugar, chemically speaking, out of cane as is produced out of beet?—Precisely.

4441. So that you used French machinery, simply because it happened to be better for producing that sugar which suits French refiners?—I wanted to try the French machinery to see if it was better; and I thought that French workmen would work French machinery better than English workmen.

4442. Did you find the French machinery better, apart from those circumstances?—No, I found the English machinery best.

Mr. Eugene Collins.

4443. It is your opinion then, that by better appliances and the increase of capital and other advantages, you could not reduce the cost of production?—Not to any material extent.

4444. You were about to say, I think, that you might reduce it to some extent?—On some estates I think you might. On one of my estates in Demerara I have the largest mill and

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engine in the world; there is nothing at all equal to it; and we get out a higher per-centage of juice than is got out by any French machinery that exists; so that I do not fancy that in that way we have anything to learn from our neighbours; and on all my own estates in Demerara the mills are very large and powerful.

4445. Those observations mainly apply to the processes of manufacture?—Yes.

4446. But could you reduce the cost of cultivation to any extent?—Only, I think, by the reduction of wages. In Demerara, one gentleman was had out by Messrs. Ewings, who is now factor to the Duke of Argyll, at Inverary, a very able agriculturist, and he told me that he did not think that even in the Lothians of Scotland the agriculture was superior to what it was in Demerara; he said he did not think that any Scotch farmer could teach the Demerara planters much in the way of cultivation; "that the place was like a garden." That was the expression that he used.

4447. Is it the practice to plough between the canes, or is the land turned up by hand?—There are exceptional difficulties in British Guiana in using steam ploughs, or in using, indeed, any ploughs. We are below the level of the sea at high water, and we have to throw up banks on which to plant our canes, making large open drains. Those banks would be broken down every time the plough passed over them, so that you must have subsoil tile drainage if you want to use a steam plough. That is done on Messrs. Ewings' estates, and on one of my own estates we use the steam plough, but, as a rule, we turn it up by hand. There is a kind of shovel rather narrow, about a foot in length, which is used for turning up the soil. That is so of necessity unless you have subsoil drainage.

4448. Have the charges in the way of incumbrances on the estates in the West Indies much to do with the present difficulties?—I should think that in small estates in some of the islands they have, but as a rule it is not so. The great bulk of the estates in Demerara are not by any means overweighed with incumbrances. They are the property, many of them, of wealthy men, who are well able to apply the highest possible cultivation, and the best possible machinery.

4449. Is it at all the practice in any of the West Indian sugar-growing districts for a small class of the men who have moderate means, but not sufficient to work independently, to assume the existing incumbrances and with insufficient capital to attempt cultivation?—It is in Barbados. In Barbados they have always looked upon sugar cultivation as so safe that they put settlements, trust monies, and such like as mortgages upon estates, so that when an estate is sold at 30,000*l.*, perhaps 25,000*l.* may be left on as a mortgage permanently, the purchaser paying 5,000*l.* down and interest on the mortgage.

4450. Does not that prejudice cultivation to a large extent?—No doubt it prejudices the owner of that estate to a certain extent; but, as I have already stated, as they produce sugar so cheaply in Barbados they can afford these things when we could not in the other colonies.

Mr. Stewart.

4451. Supposing that sugar costs 40*l.* a ton, how much of that do you estimate is represented in

Mr. Stewart—continued.

in the coast of labour?—It costs about 20*l.* a ton to produce. Practically the whole of it is labour, because, not only is the actual amount spent in wages labour, but the principal store which we use in the way of stores is coal, which also represents mainly labour, the value of the article itself being very small; and then there is cooperage, the production of staves, and so forth, so that the amount that is spent in actual purchase of stores which have an intrinsic value, over and above the mere labour, is small enough.

4452. Then the chief cost of the sugar is the labour?—Yes; that is the principal cost.

4453. Demerara, you said, was capable of producing enough sugar for the consumption of the United Kingdom?—Yes; it is difficult to say what it could not produce, for it is a place nearly as large as England, with a most extraordinarily fertile soil along its entire sea margin.

4454. The chief difficulty in turning its advantages to account is this question of labour?—It has been hitherto our great difficulty.

4455. Do you not think that that has far more to do with its want of prosperity than any question of the bounty?—Practically the question of labour had been satisfactorily settled; we were getting about 5,000 to 6,000 people every year in a steady stream, and our colony was increasing its cultivation and its production. This was suddenly checked. No alteration was made in the labour supply, so that it could hardly have arisen from that cause; but an alteration was made in the market, that is to say, we were suddenly shut out of the English market, and that is what has affected us.

4456. You said that the fall of wages increased the supply of labour; how is that?—In this way: that the black man at present has not shown any very great disposition to raise himself in the social scale; he will not work like the English labourer will do, to better himself, and to become higher up in the world; he just works for the necessities of life. When those necessities are very cheap the difficulty of getting labour is very great. When the price of the ordinary necessities of life goes up, labour becomes more plentiful, and, of course, a rise or fall in wages have exactly the same effect as an increase or decrease in the value of the necessities of life. For instance, when the plantain, which is the great food of the people there, and which almost answers for bread, is scarce, we have always abundance of labour. Another great source of food supply for the people exists in the trenches. The Demerara estates are full of trenches; they carry the canes to the mill in punts on these trenches; the trenches abound with fish, and I have seen a coolie woman go to a trench, and, in 10 or 12 minutes, get enough fish for breakfast in her apron.

Mr. Bell.

4457. What is the cost of a young slave?—I think from 100*l.* to 120*l.*, or 500 dollars was the last quotation that was given, but it is about two or three years old.

Mr. Onslow.

4458. Was that for a male or a female slave?—It was represented to me as the price of a good strong young slave, I suppose male.
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Mr. Stewart.

4459. You have had experience of other colonies as well as Demerara, have you not?—Yes.

4460. Do you consider that they are equally capable of increasing their production of sugar as Demerara is?—Some; certainly not. Now, St. Kitts probably could not increase its production with any chance of success. The Island of Trinidad could enormously increase its production. Jamaica might very largely increase its production. Antigua is suffering exceptionally from droughts; and we cannot fairly put all the falling off in Antigua down to the bounty.

4461. Have you any knowledge of the French West India Islands?—I have visited them.

4462. Can you state whether or not they are in a prosperous condition?—Now they are not so well off as Demerara.

4463. Do you think that they are suffering from the same cause that you complain of, namely, the beetroot production in France?—They state that that is their difficulty, most decidedly. I may mention that it has been stated that the introduction of *usines*, or large central factories, had a great deal to do with the prosperity of the French Islands; but I had to do with an *usine* in the Island of St. Lucia, the manager of which, Monsieur Roussillot, is a ruined proprietor of an *usine* in one of the French Islands; he was cleaned out of every penny, and now he has gone as the manager of an English *usine*; so that they are not by any means certain steps to fortune.

Lord Frederick Cavendish.

4464. How has the *usine* in St. Lucia succeeded?—It has not succeeded well at all, I think, mainly through bad management. The machinery is very good.

4465. What do you think of the system?—I believe in the system.

4466. Where there are many small estates?—Where there are many small estates, I thoroughly believe in it.

Mr. Stewart.

4467. Do not those central factories give them an advantage?—The central factories give them an advantage under given circumstances. If the transit of canes is easy, and if the shipment of sugar is easy, and so forth, then the establishment of an *usine* is no doubt a good thing.

4468. Has it ever been tried in our own West Indian Islands?—At St. Lucia and Trinidad, and you may say that every estate in Demerara is practically an *usine*. An estate in Demerara turns out as much as most French central factories.

4469. With regard to proprietors of estates living upon their estates in the West Indies, I suppose the rule is absenteeism?—The rule is absenteeism, but there are some resident proprietors. I should not say, however, that the estates of which the proprietors were resident, were the most prosperous in the West Indies, by any means.

4470. The agents that are employed for working those estates, of course, must be men of experience and ability?—In the large colonies where large salaries are paid, you have very first rate men indeed.

4471. The salaries are large, I suppose?—The salaries are very large. On my Demerara estates
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I start my managers at 400 l., and he goes up to 1,000 l. a year, with a free house and, practically, a free table.

4472. Is that on a large estate?—That is on large estates, producing from 1,500 to 4,000 tons of sugar a year.

4473. It does not represent a large percentage?—No, it does not represent a large percentage.

4474. You stated that you thought that we sacrificed at present, by permitting this French system to go on, about 6,000,000 l.?—I say that that 6,000,000 l., which we should otherwise spend ultimately amongst our West Indian colonies, is now being completely cut off.

Mr. Onslow.

4475. You impressed upon the Committee that the one great disadvantage of the diminution of West Indian sugar is that English machinery would not be imported to such an extent as it has been in former years?—I should think that English products altogether would not be wanted; they would not have the money to buy them with, and machinery is one of them, no doubt.

4476. How do you reconcile that with the fact that your greatest success has been with French machinery?—I would not say that it had; I said that, as an experiment, I put up one set of French machinery, and I still have it in working order, but it is not so good as the English; the machinery itself is not so good, decidedly.

4477. Are you the only one who has worked the French machinery?—I believe I am the only one that has a complete set of French machinery. The Colonial Company put up French machinery in their *usine*, and they have had to replace a good deal of it with English machinery; I ought to state that they put up that French machinery at the very unfortunate time of the Franco-Prussian War, when perhaps there were reasons for its not being so good as it otherwise would have been.

4478. Supposing that the production of sugar in the West Indies was to go on increasing in the next few years, are you of opinion that there is any reason why any other than English machinery should be imported at the present time?—No, supposing that its cost at Demerara remains relatively the same.

4479. At the present time you cannot see that the French machinery or any other foreign machinery could possibly compete with English-made machinery?—It could not beat it, I should say; I daresay it might be as good. Trade usually follows the flag to a certain extent; the French Islands get French machinery, and the English Islands get English machinery.

4480. What are the other exports from the West Indies besides sugar?—Sugar is enormously the chief; but there are other minor products. One honourable Member has mentioned pimento; a very small amount of pimento is exported to this country. Rum is a necessary part of sugar. Then there is cocoa, a small amount of coffee, a very small amount of cotton, and a little ginger and tobacco, and a few odds and ends, but nothing appreciable.

Mr. Courtney.

4481. There is logwood, is there not?—Yes, there is logwood.

Mr. Onslow.

4482. Do you think that there is any chance if the export of sugar keeps on diminishing, that there will be an increase in the exports of other articles?—It is a very difficult thing to say no to that, but I really do not think that there will be. As a rule, an abandoned sugar estate has not been put to any other use, but has been allowed to go into bush. Another reason is, that the profits on these small articles are so small, that unless a man resides on the estate, it would hardly pay him to grow them; it would not pay the charges for an absentee to grow cocoa except on a very large estate.

4483. You told us that Demerara was like a garden?—I said that the well cultivated estates in Demerara were very well cultivated.

4484. How is it that on land of that kind cereals cannot be grown to profit; if the land is so rich, surely other articles could be grown besides cane?—I think the only answer to that would be that all other articles have given place to cane. In old days, cotton, cocoa, coffee, were very largely produced in Demerara, but they were found not so profitable as sugar; then the proprietors of the estates expended vast sums of money in the erection of sugar works; I suppose that some of those estates in Demerara must have cost hundreds of thousands of pounds, and if you take the amount of money spent in machinery, you can form some idea of the terrible sacrifice of capital so sunk which would be involved by replacing sugar by cotton or coffee. No man would like to face such a tremendous loss as that; he would rather say to himself, I will get what I can out of the estate and abandon it.

4485. You do not think that by the ousting of the sugar industries in the West Indies, cotton or other crops could be grown again at a profit without the expenditure of a large amount of capital?—I am afraid not. I have had cotton myself in cultivation on 200 acres in Demerara, but it did not answer at all. I do not mean to say that we cultivated it as well as we should have cultivated it if we had been adepts at the work; but we made a fair trial of it, and it certainly did not succeed as against sugar.

4486. That is to say, although Demerara is like a garden, you can only grow one crop?—I consider the word "garden" more to represent the condition of the soil well pulverised and well worked, and I quoted the opinion of an expert who said it was very good.

4487. But if you can grow only one crop at a profit, how can it be good soil?—Although Demerara is exceedingly fertile, it is exceedingly expensive to work. It is below the level of the sea, and you have to use pumping machinery in most cases to pump the water off the soil into the sea. That, of course, would not pay a small proprietor; you have 1,000 and, in some cases, 2,000 acres under cultivation; you drain the whole of this mechanically, and it is an expensive thing to do. You get a very good return for your money in sugar, as compared with land elsewhere, but it is an expensive place to work, and a crop which was not a valuable crop would not pay to produce.

4488. You consider cotton a valuable crop, surely?—There is a difficulty about cotton. Cotton must be plucked at a certain moment; if rain comes down when the cotton is out you lose your whole crop. With the state of our labour
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Mr. Onslow—continued.

in the West Indies, the people would inevitably strike at that moment, and we should lose the whole crop. In fact, that happened in the old days, and it was partly that which led to the abandonment of cotton planting.

4489. Therefore, though Demerara is like a garden, it is exceedingly difficult to grow any other crop but cane?—I do not think that I would altogether say yes to that; I would say that it is difficult for an absentee proprietor to grow anything except cane. The local man can grow almost any kind of vegetable, but unless the vegetable has a purchaser, it is of no use growing it.

4490. But why has absenteeism anything to do with it?—Simply that I have to pay a man to be there, and that adds to the expense of the estate. I do not think it would pay me, individually, to sacrifice all my machinery and all my outlay, and to go into another crop for which that machinery would be perfectly useless.

4491. How is it that, with the system of slavery in Cuba, you can compete with slave-grown sugar?—I would rather say that the slavery in Cuba represents a fixed amount. We know that a slave estate requires a certain amount to be spent upon it to produce sugar, and therefore we felt that if we could reduce our expenses to a given amount, we need not fear slave competition. We went to work and did that, after great difficulty and expense; but we cannot compete with all the taxpayers of Europe. It is evident, from what the French witnesses said, that if a 3 l. bounty does not suit them, they will get a 6 l. bounty, or try for it at all events; and Austria actually does get a 10 l. bounty.

4492. I think you said that it would take three or four years with manumitted labour, to set up a sugar estate?—With any labour.

4493. How is it that it takes the same time with slave labour as it does with free labour, considering that slave labourers work so many more hours in a day than free labourers?—For this reason, that during certain periods of the year you would have to prepare your land, and then you would have to wait over the dry season before you could plant the land which you had prepared. The canes you had planted would not come to maturity for 18 months, and during that time you would have to get designs for your works, to get estimates from the makers, to get the machinery made and shipped, and then to get it erected, all of which would take a couple of years; and when you have all your plant and machinery, if you have not particularly skilled labourers, it does not do very well, and for the first few months you are sure to have a few hitches and stoppages in the first crop.

4494. In fact there must be a certain number of seasons before you have perfection in your growth?—Yes; and also before you can get reliable work out of the machinery; that is, in establishing a sugar estate.

4495. I think you come before us then for these two reasons: in the first place, you say, that under the existing state of things, that is to say, the foreign bounty system, the trade in the West Indies is fast diminishing; and the second reason is, that you have what you call a quasi-political grievance, inasmuch as you say that you are not treated with the same justice as other parts of Her Majesty's dominions?—Yes, I think I may say that the grievance is twofold:

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one grievance is that we are entirely shut out of the home market, and therefore we are being unnaturally ruined. After a certain number of British citizens have put their capital in a certain place, a foreign Government comes and shuts up their works; for there is no difference between being turned out of our works and having the produce of our works shut out of the market.

4496. You told us too, that the higher wages are in the West Indies, the less demand there is for labour?—Yes, as wages go up, so you get, as a rule, less labour.

4497. Do you not know that that is almost an universal grievance in this country?—I thought it was the other way, and that better wages gave you better labour; but I have no experience of this country.

4498. I think I may say that it is not the fact, either that you can get more labour, or that the labour is better. I think I may say that it is universally the case, that the higher the wages are, the worse is the labour?—We thought that was rather a special grievance of our own. I did not know that it was felt so much as a grievance in this country.

4499. You say that this 6,000,000 l. would be lost to the West Indies; first, in labour, and then in the freight of ships, and in the interest upon capital; but against that you must put, must you not, the enhanced price to the consumer in this country?—I would, certainly. I would say that the consumer of this country gets a real benefit of a million and a half sterling at the present moment in cheapened sugar, as against which you must put whatever losses I have tried to enumerate.

4500. Therefore, putting it down in round numbers, the net loss, according to your estimate, would be four and a half millions?—I do not mean that you could take that six millions as the clear profit. I say that an incidental present loss arises as to a portion of the six millions, and also a portion is lost by the profits of the estates not coming into English pockets; and, further, that you are crushing out the natural sugar supply of this country, and I think it would not be very difficult to establish how very costly it will be for Austria to produce sugar if the present state of things goes on. For instance, it is impossible to keep the profits in the hands of the refiner, and they must go ultimately into the hands of the Austrian landowner.

4501. You say that if beetroot were a failure on the Continent, you do not think that the West Indian sugar would be able, at any time, to compete with the continental sugar, because of the expense of transit; but take a place like Hamburg or Kiel, on the seaboard; surely there would be no greater expense in sending a vessel from the West Indies to either of those places than to London?—No, certainly not. To any place on or near the seaboard we might compete; but I was speaking more of the interior of the Continent.

Mr. Eugene Collins.

4502. Might I ask you what is about the cost of machinery, say, in a state to produce about 2,000 tons a year?—The cost of the machinery erected there would be from 30,000 l. to 40,000 l.

4503. With regard to the transfer of land in the West Indies, what is the nature of the facilities; is there a system of registration?—The system

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system in Demerara is probably the best in the world, so far as I have seen. You simply advertise the transfer for three consecutive Saturdays in the official Gazette. The vendor and the purchaser appear before a judge, and the transfer is a judicial act. You have no title deeds; you are simply put upon the register as the proprietor of that estate. Every mortgage is dealt with in a similar manner. The West India Islands are mostly under the West India Encumbered Estates Court; there are the old-fashioned long rolls of title deeds, except where an estate is sold under the Encumbered Estates Court, in which case you get a Parliamentary title.

4504. Of course you prefer the more rapid mode?—In Demerara I think it is quite the best I have ever seen.

Chairman.

4505. You spoke about the Austrian bounty being 10 l. per ton; are you aware that Monsieur Jacquemart, who has gone closely into the matter, estimated it at 3 l. 6 s. 8 d. per ton only?—Yes, I have seen his estimate, but we do not at all agree with it. Then Mr. Ohlson and Mr. Lubbock drew out a statement of what they thought the amount of the bounty was, and we think the French gentlemen have let out this important item that the whole of the drawback is a bounty. What I mean is this; that, if an Austrian grower of sugar can export it to this country and get a bounty of 5 l., or 6 l., or 8 l., or 10 l. upon it, he will not sell it in Prague, unless he gets the value of the sugar, plus the drawback. He will not sell it to his own countrymen for less value than he will to Englishmen; and it is evident that the Austrian consumer must also pay the drawback besides the value of the sugar. So that our argument is, that the Austrian consumer pays in Austria the same price as the Austrian would get by sending the sugar over to London.

4506. It may be that this estimate of Monsieur Jacquemart's is of the amount of bounty obtained by foreign countries?—The amount of bounty paid last year by the Austrian Government was about a million and a-half sterling; and that was spread over about 165,000 tons of sugar. We maintain that the whole of that was a bounty, because the Austrian consumer had to pay the same price as the exporter would have got if he had exported it, the duty having been recouped out of the excess yield.

4507. That may be so, and still what we should call the bounty on export would not amount to anything like that profit?—The actual bounty on export I have got here as 9 florins 10 kreutzer per 100 kilogrammes of sugar, below 99 $\frac{1}{10}$ polarisation down to 92 per cent. That will be about 4 l. 15 s. per ton, roughly speaking, taking 1,000 kilogrammes to the ton. The florin is, roughly speaking, 2 s., but the actual exchange is 117 florins to 10 l.

4508. It is rather the interest of the French sugar manufacturers to make out the Austrian sugar bounty as large as possible, is it not?—Yes, no doubt.

4509. And yet, with that interest before them, they have only made it out to be 3 l. 6 s. 8 d.?—Yes, but when we had shown them the way we worked it out, they admitted that they could not see any fault in our figures.

Mr. Bell.

4510. It is very elastic arithmetic?—It is very elastic arithmetic, but I think the French people would agree with us. The drawback is 4 l. 10 s., roughly speaking, and the cost of carriage is a little over 1 l., say 1 l. 5 s. That leaves 3 l. 5 s., which is what they would say would be the drawback. But we say, No, for the refiners get the value of the drawback on all the sugar that they sell in Austria; otherwise they would export it.

4511. So that there is a competition between us and the Austrians themselves for the sugar that is made?—My point is this: that an Austrian fabricant has 100 tons of sugar in place of, say 90 estimated by Government. If he exports this, he will get a drawback of so much per ton; he, therefore, will not sell it to the Austrian consumer unless the Austrian consumer pays him the value of the sugar plus the drawback; so that although he gets 4 l. 10 s. only on what he exports, inasmuch as he exports half, and the Austrian consumer buys the other half, he really gets double the drawback on the amount that he exports, the excess yield of the roots having already paid for the duty.

Mr. Courtney.

4512. You mean that there cannot be two prices in the same market; that is your first axiom?—That is my first axiom.

4513. And, therefore, whatever price the Austrian sugar producer gets from the foreign purchaser he must get from the home purchaser?—Yes, that is what I mean.

4514. He gets from the Government 4 l. per ton on whatever he sells to the foreign purchaser?—Yes; so that if it is 16 l. per ton, the Austrian consumer must pay 20 l. at home. That is the argument.

4515. But do you not think this consideration follows; that, in order to make a sale to a foreign purchaser he may have to put it in the foreign market at a lower price than 20 l. per ton?—Yes, to a certain extent.

4516. Perhaps, say at 18 l. per ton?—To a certain extent.

4517. So that, if it were necessary, in order to make the foreign sale 18 l. per ton, the price at home would be only 18 l. per ton?—Yes.

4518. In fact, you cannot tell exactly; it is a matter dependent upon the conditions of sale abroad; but to some extent the price at home would be raised, because, to some extent, the price to the foreign producer would be lowered?—Yes.

4519. You cannot say that it is 10 l.?—I think I can. I can give the price at Prague as compared with the price at London. About a couple of months ago, on the 22nd of May, the West India Committee, with a view to this inquiry, asked for quotations in Prague. The quotations were these: for refined sugar from 43 to 44 florins per 100 kilogrammes, and the exchange on that day was 117 florins 34 kreutzers per 10 l. Deducting the drawback, you would get 27 s. 6 $\frac{1}{2}$ d. per cwt. as the value in Prague, the value in London being 28 s. per cwt. The difference would not pay the carriage. As regards 88 beet, the quotations from Prague that day were 18 s. 2 d. per cwt., the price in London being 20 s. 9 d.; allowing 1 s. 6 d., that would show 1 l. out for the difference which the honourable Member for Liskeard pointed out would be the reduction in price.

Mr. Courtney—continued.

price. In refined sugar the difference was not enough to pay the carriage; but in the case of raw sugar, it was just a little more than enough to pay the carriage. So that I think we are within the mark when we say that the whole of that million and a-half sterling paid by the Austrian Government to the Austrian fabricants was bounty, they getting the amount of their tax upon the amount of sugar they sold from the home consumer.

Chairman.

4520. Although that be so, yet you estimate the amount at which the Austrian sugar, in consequence of the bounty, is sold below cost price here, as very much below that?—Yes, it is forced down.

4521. What do you estimate that at?—I think that we suffer to the extent of about 2*l.* or 3*l.* per ton at present, in the value of sugar.

4522. And that, so far as we are concerned, is the amount of the bounty?—Yes, it is that much below the free trade price; and I think I can show that it cannot possibly be a free trade price, from this fact, that if you took off the duties all over the world, you would at once raise the price of sugar in England. The effect of taking off the duty cannot be to raise the price if you have got the free trade price to start with.

4523. You were asked about the French machinery; the object, as I understand, with which you got the French machinery was to make sugar suitable for the French market?—Not solely that. It was to make it by the French process, in which a very large excess of lime is put into the juice, and the lime is ultimately precipitated by gas.

4524. That is the kind of sugar which obtains the largest bounty on the Continent?—The refiners can get the largest bounty out of sugar with ash.

4525. It was to make the sugar for the French market that you got the French machinery?—I expected that the French market would be my best market for this kind of sugar.

4526. It was not because you believed that the French machinery was superior to the English machinery, was it?—No; but I was guided to a certain extent by this, that I thought I would like to try what French machinery, managed by a French refiner, could do with our cane juice; and I had a chemist out there, at a salary of 2,000*l.* a year, who had managed a large refinery in Paris, and who turned out this sugar for me. I had also an English chemist on the spot watching the operation, and seeing if he could check it in any way.

4527. When did you get that machinery?—In 1876.

4528. Have you got any other French machinery since then?—No.

Mr. Onslow.

4529. I understand that your experiment has been a success?—I think it would pay me to make this kind of sugar if the price of Demerara crystals were to fall. Demerara crystals are rather a fancy article, and have an exceptional value. You cannot produce Demerara crystals by this process, and whilst I was erecting this machinery the relative value of Demerara crystals and raw refining sugar changed, there being a

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Mr. Onslow—continued.

slight increase in the one and a slight decrease in the other. I found, therefore, that it was better to go on making the sugar direct for consumption.

Chairman.

4530. You were asked by the honourable Member for Guildford whether, if the sugar were to go out of cultivation, the estates could not be turned to other crops; what would be the effect upon the price of raw sugar here if the sugar estates went out of cultivation and gave place to cotton?—I think the effect would scarcely be felt until there was a failure of the beetroot crop, or until the drawback system died a natural death. When either of those two events took place, of course the consumer in England would have to pay the price of an article raised in a climate unsuited for it.

4531. Supposing that sugar went out of cultivation in the West Indies, the beetroot would not have to compete with it?—That would be so.

4532. Do you not think that taking out of the market at once large quantities of cane sugar would affect the price?—I do not think it would go out at once; but the estates would die out in a very few years.

4533. But when cane sugar went out of cultivation altogether in the West Indies, and therefore there would not be anything to compete with beet sugar, what would be the result?—It would depend entirely upon whether foreign governments were giving large bounties or not. If they said, "We have killed our competitors, and now we will take off our bounties," the effect would be an enormous rise in sugar. That must ultimately be the effect in any case, but the exact year when it would take place no one could foretell.

4534. Therefore, the effect of cane going out of cultivation would, in your opinion, be ultimately a very large rise in price to the consumer?—I should think very large. I should think very likely 1*d.* per pound.

Mr. Onslow.

4535. But if you grew cotton, the price of cotton would be diminished?—You could not put cotton in in one day. It could not be diminished below the price at which it could be produced; you cannot diminish the price of an article below its cost of production.

4536. Would it have the effect of diminishing the price of American cotton if you grew a large amount of cotton in the West Indies?—I think cotton is none too high now. I do not think it would bring it down very much.

Chairman.

4537. You are quite satisfied that, on a natural free trade footing, there is no chance of sugar going out of cultivation?—I am quite satisfied that, putting aside the bounties, we can, in Demerara, compete very successfully with the Continent.

4538. With regard to the shipping; I suppose it is not a feeling of patriotism that makes you inclined to pay 2*s.* 6*d.* or 5*s.* per ton more freight in English ships than you would pay in foreign ships?—Trade naturally follows the flag to a certain extent. Englishmen naturally give preference to English ships; and, as a matter of fact, we know that, as a rule, English ships are better worked than foreigners.

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4539. If

Mr. Hogg.

15 July
1879.

Mr. Hogg.

15 July
1879.

Chairman—continued.

4539. If the best ships are British ships, and you choose the best ships, you choose British ships; and, if the sugar does not come the loss falls upon the British ships?—Clearly; it is the actual fact at the present moment.

Mr. Balfour.

4540. I think you said that you yourself employed French ships, did you not?—Very rarely; I say that, in sending my sugar to a French market, if I did so permanently, I should send it in a French bottom to avoid a survey of 2½ francs on every 2 cwt.; you avoid that by sending the sugar in a French bottom.

Chairman.

4541. With reference to the treaty with the United States, an honourable Member said to you, in the course of his examination, that we have also commercial treaties with the United States, but that that did not have the effect of giving us any unusual facilities in their market; but the treaty that you spoke of was a reciprocity treaty?—Yes.

4542. In which there would be a *quid pro quo*?—There would be a *quid pro quo*, beyond doubt.

4543. And which treaty would, of necessity, open the American market to your sugar?—It would certainly.

4544. With reference to the question of our paying for imports by exports wherever the exports come from, as a matter of fact, do our exports keep up in proportion to our imports?—No, they do not; and, therefore, you can hardly say that they will necessarily do so. You can hardly draw the line, and say where the cash ceases.

4545. The noble Lord in his examination of you said, can we obtain imports without producing; but what would be the effect of the adoption of a system of bounties by foreign countries on all these articles which we now produce; would it not have the effect of extinguishing production?—It must extinguish production; it would, in fact, pauperise the whole country, it seems to me.

4546. And, therefore, if the system of bounties now applied to sugar were applied to all manufactures, it would extinguish our production?—Beyond all question. You might select half a dozen manufactures which England is easily the best in, iron, cotton, and a few others. If foreign productions were to be brought in under the bounty system, the whole of the people employed in those trades would become paupers.

4547. Then if our imports depended upon our exports, we should receive no imports because we should export nothing?—We should be fed and clothed by foreign countries for nothing.

4548. Do you think that is likely?—I think, in the case of sugar, we are now very nearly at that point.

Mr. Sampson Lloyd.

4549. The noble Lord the Member for the West Riding asked you whether imports must not necessarily be paid for by exports; may not imports be very often paid for, for a long course of time, out of previously acquired and saved property?—That was practically the answer that I gave to the noble Lord.

4550. If I, as an individual, take into my house food, or clothing, or wine, or any other article

Mr. Sampson Lloyd—continued.

which I consume, and my trade is at a standstill, I may still go on consuming and spending until I came to the end of the tether?—Beyond question.

4551. I am not paying for it by my industry, but I am disbursing previously acquired property?—Yes.

4552. May not that also for a series of years be the case with a nation or colony?—Certainly.

4553. Perseverance in that, after a certain number of years, leads to impoverishment in all three cases, does it not?—Yes.

4554. Then do I correctly understand that you consider that that process, to some extent, is going on in this country?—Certainly.

Lord Frederick Cavendish.

4555. Without discussing the question of political economy, I understood you to state that in your opinion the whole of the Austrian drawback is a bounty?—Yes.

4556. Do you consider that the whole of the drawback which we allow upon the export of spirits from England is a bounty?—No, certainly not.

4577. We levy a duty upon spirits, and we also give a drawback upon the export of them?—Yes; but if you gave a drawback double the amount of the tax, then there would be a large bounty. My point is this: that the Austrian holder of sugar has 100 tons of sugar, a portion of which has paid no duty at all; by exporting it he can get from the Government 4*l.* 10*s.* per ton; therefore, if he exports half and sells half to the Austrian consumer, the Austrian consumer will have to pay him the same price as he gets elsewhere, which means the value of the sugar plus the bounty.

4558. Do you consider that the alteration in the Austrian law, by which there is a minimum of 6,000,000 florins increasing by 500,000 florins a year, will make any difference in the amount of this bounty?—Of course it is difficult for a comparative outsider to speak with certainty, but I should say that it would make the Austrian fabricant run more beet through his vessels than he has hitherto done; he would evade the duty in that way and get his bounty; but on the other hand he would practically add to the price of production, because forcing the roots through his vessels in such a hurry must be a very wasteful process. He cannot possibly exhaust his roots if he runs them through at above a given rate.

4559. I see in the papers that have been given to us, that Mr. Jerningham, the secretary of the embassy at Vienna, states that the consumption in the empire of the sugar manufactured within it has not very much varied within the last 10 years, and that in 1865-66, when there was no sugar exported and consequently no drawback, the total yield of the tax was only 5,600,000 florins, whereas now with the same consumption it is proposed to levy a minimum tax of 6,000,000 florins?—Yes; the Austrian production has enormously increased.

4560. We do not levy duties upon that amount of spirits that are exported?—No; but you must remember that the Austrian tax is levied not only upon the assumed amount of sugar, but also upon the assumed amount of roots. The fabricant starts with a surplus of sugar, *i.e.* he gets more sugar from the roots than the Government estimate.

Lord Frederick Cavendish—continued.

estimate. This surplus pays his duty, so that the whole drawback is a bounty.

4561. But will not the effect of this new Austrian law be to prevent the revenue from being defrauded by a larger amount of roots being put through the machine than it is calculated to take?—No, I should think not.

4562. This minimum amount of 6,000,000 florins appears to be a fair tax upon the home consumption?—I do not think the figures as to the home consumption of Austria are very reliable; I believe they are considered not to be so at all.

4563. Do you differ from Mr. Jerningham's opinion that the home consumption has not increased?—No. I should think it a possible effect that the home consumption has not largely increased, because the price of sugar must have been so very much forced up of late, but the figures here are notoriously incorrect.

4564. Apart from this question of defrauding the revenue by getting a larger amount of beet-root through the machine than was calculated, and apart from the question you have just raised with regard to the raising of the price to the home consumer, how much of the drawback do you consider to be bounty?—I should think none of the drawback was bounty if the yield from the root was also properly assessed.

4565. Is not the drawback a little above the amount of the tax, even if the yield was properly assessed?—I fancy not appreciably so.

4566. You think there is no intentional bounty?—I do not think there is any intentional bounty in that way. I think the Government know perfectly well that they are being defrauded, and they admit it.

4567. And they have passed this law in order to obviate it?—I could hardly say that. I think it is a kind of compromise with the refiners. They say, "Pay us so much and get what you can." I do not think that it is avowedly the intention to stop the bounty.

Mr. Courtney.

4568. Have you read this new law in Austria?—I have got the new law.

4569. And you have considered its probable bearing on the future?—I can only say that as an increase in the assumed amount of roots passed through a vessel has not in the past been checked, probably this will be also ineffectual.

4570. The new law is minimum of 6,000,000 florins, increasing yearly by 500,000 florins?—Yes, but that has been already inoperative in Belgium. They practically calculate how much the Government have to get within a few thousand francs, and work very closely to the minimum.

4571. Still there will be a fixed charge upon the sugar production in Austria?—There will be a fixed charge upon the sugar production in Austria; and to that extent the bounty will be stopped; but the export has increased enormously, much more than 10 per cent. every year.

4572. But who bears that fixed charge?—The manufacturer has to bear it.

4573. Primarily; but who bears it ultimately; supposing that the Treasury levy 6,000,000 florins in a year, upon whom does that tax fall?—Upon the home consumer.

4574. The noble Lord pointed out to you that

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Mr. Courtney—continued.

only 5,600,000 florins were levied from the home consumer when no system of drawback was in operation?—Was that at the same amount of duty?

4575. I think so; but it does not much matter?—I would say that the fact of the bounty has been admitted by the Government; so that it cannot possibly represent the fair amount of taxation. The Austrian Government say, "We admit this bounty"; they do not deny it; but at the same time that they admit it the bounty goes on, as you will see in page 9, Commercial No. 9, 1879.

4576. I do not think they admit that it is going to go on?—It is going on, as you will see by reference to this Paper. (*Paper handed in.*)

Lord Frederick Cavendish.

4577. Is it not the case under the new law, that instead of the receipts of the Treasury being deficient by 100,000 florins, there will be a net receipt of 6,000,000 florins?—Yes.

Mr. Courtney.

4578. I asked you the other day whether you could give us some figures as to the effect of the manumission of slaves upon the price, and consequently upon the diminution of the cultivation of sugar in the West Indies?—If you will kindly glance over these two Returns (*handed two Returns to the honourable Member*) they will give you the Cuban crop and the West Indian crop.

4579. Have you made any deductions in your own mind from your figures as to what that effect was?—The effect clearly was not only a check, but also a considerable diminution in the production of sugar in the West Indies, which arose in a large measure from crops being allowed to lie rotting in the ground for want of labour to reap them.

4580. In which year were the sugar duties equalised?—They were equalised gradually. In 1847 it began and went on up to 1854, I think. The first law made the duties equal up to 1851; then in the Crimean war it was carried a little further up to 1854, the difference between slave-grown sugar and free-grown sugar getting less and less each year.

4581. These figures unfortunately do not go much further back than 1846?—I can give you the figures as to British West Indies further back.

4582. In 1854 the exports of the British West Indies were 131,000 tons?—Yes.

4583. That was above the average of several preceding years?—Yes.

4584. In fact, in 1840, 1841, and 1842, the average was about 110,000 tons?—Yes, it fell down very much.

4585. Before the equalisation of the duties it was 110,000 tons?—That was the immediate effect of the emancipation and apprenticeship in 1836 and 1838. The effect in 1840 and 1841, and for some years afterwards, was very serious.

4586. Whatever the cause the average export in those years was about 110,000 tons?—Yes.

4587. The average export after the equalisation of the duties never fell so low as that, did it?—No, it never did.

4588. It sprang up, from some unknown reason, in 1847 to 170,000 tons; but it appeared to run about 130,000 and 140,000 tons, varying according to the season?—Yes.

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4589. And

Mr. Hogg.

15 July
1879.

Mr. Hogg.

15 July
1879.

Mr. Courtney—continued.

4589. And showing no material diminution at all?—But was not the emancipation of the slaves a very much more serious measure?

4590. I am not talking now about emancipation, but about the equalisation of duties?—I would say that the equalisation came gradually. It was impossible for Cuba at once to step in and make an immense increase in its production; it had to get more slaves, and as a matter of fact it introduced 800,000 more slaves.

4591. What was the amount of differential duty abandoned on ordinary Muscovady sugar? This Paper gives the differential duty for each year (*handing in a Return*).

4592. About 2*l.* or 3*l.* per ton?—Fully that; I think it was rather more; it got down to 2*s.* before it was abandoned.

4593. It was very much more, therefore, than this country?—Very much more.

4594. And yet the equalisation, although it began to tell gradually, did not affect the production of sugar in the British West Indies?—Would you say that it did not affect it? It checked the increase very much.

4595. Unfortunately we cannot say that there had been a tendency to increase, because in previous years it had fallen off in consequence of the emancipation of the slaves?—I would point out that the effect of that differential duty was to raise sugar above its free-trade level. Nobody has ever yet tried what would be the effect of reducing it below its free-trade level. The effect of the bounty is to reduce the price of the sugar below the free-trade level.

4596. That is very true; but the point which I wish to bring home to your mind is this: you insist that a difference of 3*l.* per ton produced by these bounties will drive estates out of cultivation in the West Indies, and, in fact, almost put an end to the production of sugar there?—Yes, it will reduce it very materially.

4597. I wish to point out to you that before 1846 the British West Indies had an advantage of 6*l.* per ton in the production of sugar?—Yes, an unnatural advantage.

4598. Which was the condition according to which estates were cultivated and which was gradually abandoned; but in spite of that, estates apparently did not go out of cultivation, but in fact the production and exportation of sugar went on increasing, so that it would appear that your anxiety is over-strained?—I think there are certain other figures which would very much check the deduction which you draw from that; in that statement you have left out of consideration altogether the enormously increased consumption of the world that went on during that period; if you look and see what proportion of sugar the West Indies produced, whether it kept up its fair ratio of increase, you will find that it has not done so latterly; to show that it is not the West Indies alone that are suffering, that it is not want of energy, or want of enterprise, or bad machinery, or bad cultivation, I may say that the West Indies at the present moment, as compared to the East Indies, has fully kept up its proportion; between 1852 and 1861, the British West Indies produced 58·4 of cane-grown sugar as against 41·6 produced in the East Indies, and last year the British West Indies sent just about the same relative quantity as compared to the East Indies.

Lord Frederick Cavendish.

4599. Which are you speaking of now; the exportation or the production?—I am talking of the consumption of this country; the consumption was formerly supplied in the same proportions as now, which shows that the West Indies have not lost the market through want of energy or enterprise, but that it is some extraordinary circumstance that has affected the supply of cane-grown sugar throughout the world.

Mr. Courtney.

4600. Would the East Indies include the Mauritius?—It would.

4601. Is it not the fact that the Mauritius produce has been a good deal diverted to Australia?—No doubt.

4602. Therefore, that comparison is delusive, is it not?—I would hardly say that it is delusive.

4603. You must compare the total production in both cases, must you not?—Certainly. America has taken from the West Indies as much as the Mauritius has sent to Australia. The Mauritius has not such a very large production; it is a matter of 100,000 to 130,000 tons; 140,000 tons is looked upon as a very good crop there.

Chairman.

4604. Supposing that you excluded the Mauritius altogether, how would the thing stand?—I do not think we could do that, because, I think, the Mauritius is included in most of the return.

Mr. Courtney.

4605. It was 136,000 tons in 1877?—Yes; 140,000 tons is a very good crop. I would say that the amount diverted from the Mauritius to Australia is not larger than is diverted from the West Indies to Canada and the United States.

4606. Could you give us any figures as to the effect on the price of sugar of the equalisation of the duties; or you might carry it back to the manumission of the slaves?—My figures do not go further back than 1858.

4607. Did that French experiment of yours succeed?—It would succeed, I think, under certain conditions of the market. Demerara crystals, at the present moment, have an exceptional value; they go into direct consumption, and the public like the appearance of them; they sell more for their appearance than for their intrinsic value, and, therefore, it pays better to produce Demerara crystals than any other kind of sugar. You cannot produce Demerara crystals by this French process. The sugar produced by the French process has a nasty smell, and it contains a quantity of ash and salts.

4608. French Guiana is not in a prosperous condition, is it?—Not at all; in fact, they are going in there more for gold mining than for sugar growing.

4609. The French colonies are represented in the French Chamber as you know?—Yes.

4610. I suppose French Guiana has a Deputy of its own?—It is more a convict establishment than anything else; it may have a representative; I should think it would.

4611. Are you aware whether the colonial representative in the French Chamber agreed upon the question of the sugar bounties, as affecting the production of sugar in the French colonies?—I think so. I should think that in all probability the French representative of Guiana would

Mr. Courtney—continued.

would be an official. I cannot conceive who would vote in French Guiana, because there are only convicts and coolies.

Chairman.

4612. As to this Report of Mr. Jerningham's to which reference has been made, you were asked, with reference to the new law, as to whether it would not be likely to have a very considerable effect upon abolishing or reducing the bounties. If you look at page 7 of that Report you will see this: "If carefully weighed, the law as it stands is only a third incentive towards increased production, without being actually a gain to the Treasury." That very much bears out what you recommend, does it not?—Yes, I think it does.

4613. That being the amount which has been fixed by the Austrian Government as a contribution towards their Treasury out of the sugar, the improvement in the production will go on, so as to enable them to obtain a larger bounty?—They will go on increasing their production, and running more roots through the machine, and therefore making so much more profit.

4614. That passage would tend to show that Mr. Jerningham concurs with you in that opinion?—I think it does, and I think the example of Belgium also goes to that.

4615. Mr. Jerningham then goes on to say, that "The next few years will show whether it is not doomed to the same fate as the Belgian law"?—Yes.

4616. With reference to the probability of Austria being willing to come under a convention such as that which has been named, Mr. Jerningham goes on to say, further, "In conclusion your Excellency will, perhaps, agree with me in the opinion, that throughout the history of the sugar industry in this empire the encouragement afforded by the measures of the Government has proved so effectual in shutting out foreign competition that it cannot be wondered at if thinking statesmen, in the interests of their country, and not of a class only of their fellow-subjects, are seriously beginning to reflect here on the advantages of granting no more drawbacks;" does not that indicate that, in the opinion of Mr. Jerningham, the Austrians might possibly be prepared to come under some international engagement to abolish bounties?—Yes, I should think it did.

Mr. JOSEPH B. FORSTER, called in; and Examined.

Chairman.

4624. You are a Sugar Refiner, and Managing Director of Fryer's Concrete Company (Limited)?—Yes.

4625. Your company, I think, is the owner of estates in the West Indies?—Yes.

4626. In what part of the West Indies?—The Island of Antigua.

4627. What is the population of that island?—About 35,000, of whom 33,000 are black or coloured.

4628. What is the revenue of the island?—About 35,000 £.

4629. What is the capital of your company?—£. 52,000 paid-up capital.

4630. How is it composed?—The shareholders are principally directors. It is a very small 0.104.

Chairman—continued.

4617. It is in that direction?—I should think it was in that direction, and as they must have the English market we have in our own hands the means of forcing them to do it.

4618. In point of fact Austria is beginning to get tired of paying the bounties?—I daresay it is beginning to feel it. Whether or not it will get tired before the West Indies are ruined is a different matter.

4619. But the effect of a convention with a penal clause would be to take away from Austria the only inducement she has to give bounties?—It certainly would. We are unable to see why it is so wrong to have a countervailing duty on raw sugar when there is already in existence an English law providing for a countervailing duty on refined sugar. If it was a right thing in 1864 to provide for a countervailing duty on refined sugar, it can hardly be a wrong thing in 1879 to apply a similar provision to raw sugar.

4620. You refer to Article XIX. of the Convention of 1864?—I do.

4621. Do you agree with the French witnesses who were examined on the last day that we met, that if such a clause were inserted in a Convention it would become quite unnecessary to apply the remedy of a countervailing duty?—Entirely. Austria is entirely in our own hands, and we can compel her to come to our terms simply by putting on this countervailing duty. Her sole object is to get the English market.

Mr. Courtney.

4622. You do not call the Convention of 1864 law, do you?—I call it a provision for a law. If I might read you one extract to show that, at any rate, the "cheapest market" theory is one that requires to be taken *cum grano*, to a certain extent, I should like to read an extract from Sir Robert Peel's speech on the subject. He said, "The principle of free trade announced on the other side is that, without reference to any other considerations, we should go to the cheapest market. If that is to be acted upon as an universal rule, without reference to time and circumstances, I can only say I cannot concur in it."

4623. When was that spoken?—It was spoken, I think, about 1846; and the previous year Lord Palmerston introduced a similar provision, and Mr. Gladstone both spoke and voted against it.

Chairman—continued.

Mr. Forster.

company, so far as the number of shareholders is concerned.

4631. How much of the paid-up capital is invested in plant and buildings?—£. 25,500.

4632. And in other matters connected with the estate?—About 5,000 £. in live stock, and 3,000 £. in stores.

4633. Did the company purchase those estates in full working order?—When the company purchased the estates they were in poor cultivation, and it was thought a very low price at the time.

Lord Frederick Cavendish.

4634. In what year?—In 1865.

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4635. Did

Mr. Forster.

15 July
1879.

Chairman.

4635. Did your company proceed to put them into a good state of cultivation?—Yes; we employed steam ploughs; and we have used every means possible, without sparing expense, to bring them into the very best cultivation.

Mr. Bell.

4636. How many acres are there?—There are about 2,941 acres, of which 1,212 are in cane cultivation.

Chairman.

4637. You spoke about your machinery; of course it is all modern, and of the best description?—It is all of the very best make that we could possibly get.

4638. Is it English or French?—It has been made by Mirlees, Tait & Co., of Glasgow, and Manlove, Alliott & Co., of Nottingham. It is the best we could get.

4639. I presume you prefer English machinery to French?—We have never tried French machinery.

4640. What is the mode of manufacturing the sugar which you make?—The company use Fryer's patent concreters; instead of making sugar with molasses and rum, which are part of the products of sugar manufacture, they concentrate the juice into a solid form, and at once ship it to countries where it is refined.

4641. It is the simplest possible process?—It is the simplest process that could possibly be applied to sugar.

4642. Instead of extracting the sugar, you simply, as it were, freeze it all up together?—That is all.

4643. And that process, I suppose, requires a minimum of capital and labour?—Yes.

4644. How have the prices that you have obtained for this product ranged?—From 1865 to 1872 we obtained 22 s. per cwt. at Liverpool, and from 1873 to 1879 we obtained 19 s. 5 d. per cwt. in Liverpool.

4645. Are you speaking of duty paid, or in bond?—In bond.

4646. Then the price of sugar has considerably declined since 1872?—Yes.

4647. I suppose you, in common with all the sugar growers, got an exceptionally high price in 1877, when the beetroot crop failed?—Yes.

4648. We have had evidence that that increased price has contributed largely to maintaining the estates in cultivation since then; is that the case with you?—Yet; certainly it was a matter of vital importance to us.

4649. What do you obtain for this sugar now?—We have sold it this year at about 15 s. 6 d. per cwt.

4650. That is about 6 s. 6 d. per cwt. less than the range of prices between 1865 and 1872?—Yes.

4651. And about 4 s. per cwt. less than from 1873 to 1879?—Yes.

4652. Does this give a real idea of the actual fall in the price, or do you consider that you have improved the manufacture?—There is no doubt that it does not give an actual idea of the fall in the price of sugar, because the quality of the concrete is very much better than it was when we first began to make it. The manufacture has improved, and manufacturers know better how to manipulate the machinery.

4653. So that in point of fact, your contention is that, although the price has nominally fallen

Chairman—continued.

4 s. per cwt. since between 1873 and 1879, it has really fallen more, because you have improved the quality?—Yes.

4654. To what do you attribute this great fall?—To the bounties given to our competitors in Europe.

4655. Do you consider that the prices that you are obtaining just now will enable you to continue cultivation?—Certainly not.

4656. May I take it that at the present prices there is a loss entailed?—I should say that we can land concrete from an average crop on our estate of about 1,000 tons in Liverpool at 19 s. per cwt., and make no profit and no loss. The average price from 1873 to 1879 was only 19 s. 5 d.; so that we had a very small margin; and now the price is 15 s. 6 d., so that it is quite evident that we cannot go on with anything like the present prices. An increase of price on the average price obtained from 1873 to 1879 of a farthing per lb. would have enabled us to pay a dividend of about 5 per cent. upon the capital.

4657. But supposing that a countervailing duty were put on, the amount having been estimated at something like from 2 l. to 3 l. per ton, that would not be sufficient to enable you to carry on, would it?—I think it would.

4658. Your present price is 15 s. 6 d., and if you added 3 s. to that, that would be 18 s. 6 d. per cwt., which would be 6 d. per cwt. less than you say enables you to make no profit and no loss?—We have had two or three years of excessive drought in Antigua during that time, and looking at a long series of crops in Antigua, it is not probable that each number of years of the same period will have the same amount of disastrous years arising from drought in the island.

4659. But in estimating what you consider to be a fair paying price, I imagine that you have taken what you consider a fair crop, have you not?—I have taken the actual crops from 1873 to 1879.

Mr. Courtney.

4660. When you said that 19 s. would just pay your way, you said, I think, that you were taking a fair average crop?—Yes.

Chairman.

4661. Then may we understand that if we were to add 2 l. or 3 l. per ton to the present price which you are able to obtain, which is 15 l. 10 s. per ton, it would, with a fair average crop, enable you to pay a dividend?—It would hardly do so.

4662. Then the present price would appear to be forced down lower than the amount of the bounty would account for?—I believe the present price of sugar would not pay anybody anywhere.

4663. But we are speaking of a possible rise of 3 l. per ton?—I can scarcely say that it would enable us to make very much profit.

4664. At any rate, if things go on as they are at present, without anything being done to check the foreign bounties, is it your opinion that your estates would have to go out of cultivation?—Certainly.

4665. Have you already tried to dispose of your estates?—Yes; we have tried for some years to do so. They are in the hands of a very few people, and the object for which they were first taken has been accomplished, which was to demonstrate

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demonstrate the value of the concrete system of manufacturing sugar; and we have endeavoured to sell the estates, but we have never been able to get a bid; in fact, we have offered the estates for half the original price of them, but we have not had a bid of any kind. A planter in the West Indies, who had a desire to buy them for a company of planters in the West Indies, stated that he found that the West India planters were so much pressed for capital in the present state of their trade, that they could not afford to think of investing any money whatever in sugar planting.

4666. What is the amount of wages which you pay in the course of the year?—About 9,000 *l.* a year. We employ about 750 people, and we spend about 2,000 *l.* in a year among the negroes in buying cane from them to manufacture sugar from; and we spend about 3,000 *l.* a year in other ways in the island. We also import into the island about 3,500 *l.* worth of things of various kinds from England; and we pay about 600 *l.* a year in taxes towards the support of the Government. The exports from Antigua would fall off about 25,000 *l.* a year if we ceased planting, and we should cease to spend from 7,000 *l.* to 8,000 *l.* a year amongst English manufacturers and tradesmen.

4667. That being an expenditure necessary for the carrying on of your business?—Yes.

4668. Do you think that if you were forced by bounties and low prices to put your estates out of cultivation a rise in price would induce you to put them into cultivation again?—No; if they are once put out of cultivation it is not at all likely that they will be brought into cultivation again. It must be manifest that it would not be so. The only way in which we can give up our estates is by selling everything removable on them, selling the machinery and selling the live stock, and then allowing the land to run into bush. It would require a very large amount of capital to begin again, and the sugar trade would have to be in a very encouraging state to induce capitalists to put their money into it. They would have to wait, probably, for at least four years, if not more, I think more, before they would have the estates in the condition in which we have them at present.

4669. I suppose you think that the uncertainty which exists as to the question of these bounties is a very material drawback?—The uncertainty which exists makes the starting of the estates again an utter impossibility, because English capitalists, whatever anybody else thinks, are satisfied that the French bounties afford no security for the investment of money, either in the refining of sugar in England, or the manufacture of it in the West Indies.

4670. Can you give us any information as to whether, in your opinion, cane sugar is superior to beet sugar?—If you take beetroot loaf sugar and cane loaf sugar, and have them analysed, you will find no appreciable difference whatever; nothing by which anybody could tell very well which was which; but if you use the two kinds of sugar for the purpose of making preserves, or for the making of fruit jellies (there are other differences in other trades, but these I am acquainted with myself), you will find that with beetroot sugar you cannot make a proper fruit jelly; the fruit runs, and will not form a jelly, but pure cane sugar will make a jelly, and it

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boils with preserves a great deal better. If you take the same quantity of loaf sugar made from beet, and the same quantity of loaf sugar made from cane, and add it to distilled water, you will find that you will have to add a considerable amount more of the beetroot sugar than of the cane sugar to the distilled water before you will find an appreciable sense of sweetness. There is something about beetroot sugar that although it analyses the same as cane sugar, when it is of a given purity, interferes with its sweetness; and the general impression of the public is, that this is so. You see constantly in shop windows sugar guaranteed to be all cane sugar, and recommended for preserve making because it is cane sugar; but they cannot get an increased price for it, because the experience of the public is that there is no difference; and the reason of that experience is, that the announcements in the shops are not true, because anybody who is in the trade knows perfectly well that there are no such things as loaves made from pure cane sugar anywhere on this side of the Atlantic. But you will often see it stated in shop windows that they sell pure cane-sugar loaves; therefore, the English public have not the means of getting at the real fact of the difference of value between cane sugar and beetroot sugar.

4671. I understand that you attribute all the evil results, so far as cane-sugar cultivation is concerned, to the foreign bounties?—I do.

4672. What remedy would you propose for those evils?—I should propose that we should adopt the principle of free trade in England; that we should not be freetraders by name merely, but freetraders in point of fact; that we should really understand what free trade means, and that we should go in for free trade.

4673. How would you propose to carry out the doctrine of free trade upon the sugar question?—I should have to explain what I mean by free trade. I mean by free trade the untrammelled exchange of commodities between nations. I do not think it means a number of things that it has been said to mean; I do not think it means buying in the cheapest market and selling in the dearest market under any circumstances; but I think it is a principle which ultimately allows that to be done, and that is one of the advantages of it. Nor do I think it means the abolition of Customs duties, because that is another question altogether. Customs duties can be so levied, of course, that trade is not interfered with, or as little interfered with as it is by taxes in other directions. All taxes interfere with trade in some shape or form. I rather agree with what Mr. Cobden said, given in Mr. Bright's edition of Cobden's speeches: "We do not seek free trade in corn primarily for the purpose of purchasing it at a cheap money rate. Whether it becomes dearer with free trade, or whether it is cheaper, it matters not to us, provided the people of this country have it at its natural price, and every source of supply is freely opened, as nature and nature's God intended them to be. Then, and then only, shall we be satisfied."

4674. You contend, I suppose, that the present arrangement, by which sugar is sent in here with a bounty, does not supply it at its natural cheapness?—No, certainly not; it causes production to be carried on where otherwise it could not be carried on on account of natural disadvantages. It limits the area of production, and

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and increases the expense of it, and I think it is an absurdity to regard that as a possible advantage to the consumer. It also, as has been stated before, makes the supply more precarious, and liable to fluctuation from natural causes, such as the failure of crops.

4675. You think that the effect of these bounties will be ultimately to drive out the natural supply, and to replace it by an artificial supply?—Certainly.

4676. And in your opinion they will in that way eventually prove disastrous to the consumer?—I am sure of it.

4677. You do not think that it would be for the benefit of the consumer that he should by artificial means be able to buy anything below its natural producing price?—I am quite satisfied that it is not so.

4678. And although he may obtain advantage to-day, it will be at the cost of disadvantage to-morrow?—It would necessarily be so.

4679. So that apart altogether from the great loss that it would be to our Colonies to throw them out of cultivation, it would ultimately result in a loss to the consumer?—Certainly.

4680. Therefore you have no hesitation in saying that your proposition of a countervailing duty, if it exactly countervailed the bounty, would be a free-trade course to adopt?—Certainly.

4681. Is there anything else that you would like to mention to the Committee?—I do not know whether I can say anything new about it; but it appears to me that there are two ways of effecting protection: one is by placing protective duties upon goods coming into a country, and in that case we have no real remedy; we may attempt by retaliatory duties to induce them to change, but if they decline to change our retaliatory duties do not effect the object; and that is, as I understand it, the reason why reciprocity is said to be dead; it does not effect the object, it does not secure us free trade. Now the great difference between our position and that is this: that where a bounty is given on export we have the remedy entirely in our own hands. It does not matter how determined a country is to protect its manufactures by means of bounties, it can only do so on sufferance; if we choose to say, "No, we will not allow it, we are a free-trade country, and we will maintain free trade by all the legitimate means that we have for maintaining it," then that country cannot do it; and the simple means that we have to adopt is to levy a countervailing duty equal to the bounty. That at once places the matter on a free-trade basis.

4682. Do you think that if we had good ground for believing that by putting a duty upon foreign imports we could make the nation from which they come take off their duties upon our exports, we should be justified in doing it?—I certainly think so.

4683. But you believe that the evil of reciprocity is that it will not secure that?—I do not believe in reciprocity at all.

4684. And any duty put on by us which did not secure the taking off of the duty by the foreign nation would not do us any good?—No.

4685. But a countervailing duty would be an effectual remedy to the foreign bounty, would it not?—Yes.

4686. The probability is, I suppose, that the

Chairman—continued.

bounty would not continue to be given if we put on a countervailing duty?—If we were to say that a countervailing duty would be put on sugar at the end of six months from the present time, unless a sugar convention intervened in the meantime to place things on a proper footing, I do not believe that the countervailing duty would ever have to be put on, because it would be the manifest interest of the European countries to conclude a convention before it came into operation.

4687. In point of fact, if the bounty was countervailed by a tax here, the object of the foreign countries in granting it would cease?—Yes.

4688. With reference to the prices, I understand that the price of 15 s. 6 d. is unusually low?—I think that 15 s. 6 d. is unusually low.

4689. And considerably below the average of some years past?—Yes.

4690. Do you consider that an increase of 2 l. to 3 l. per ton upon the average of the price of the last few years, would be sufficient to enable you to compete with foreign sugar?—Yes.

4691. And that is about the amount that would have to be put on by a countervailing duty?—Yes, just so.

Lord Frederick Cavendish.

4692. I understood you to attribute the fall in prices to the bounties given by the different European States?—I could not say exactly that that was the case, because the prices of goods fluctuate when there are no bounties.

4693. Is it not the case that nearly all products, whether manufactured or agricultural, have fallen largely within the last few years?—It is.

4694. Is it not possible that the same causes may have had a similar effect upon sugar?—They may have had to some extent a similar effect upon sugar; but when we have a very serious reason also added in the case of sugar, I think we may say that that has increased the difficulty.

4695. Is it necessary to attribute the cheapness of sugar entirely to the bounties?—Not entirely.

4696. I understood you to state, that in the interest of the consumers it was desirable to put on a countervailing duty, in order to maintain a variety of sources of supply?—I would not put on a countervailing duty for the purpose of doing anything, except to secure a supply from those countries that can supply us most cheaply with sugar. I do not want to limit where sugar should be grown by the placing of a countervailing duty.

4697. These bounties have been in force for many years, have they not?—Yes, they have.

4698. And consequently the consumer, speaking simply of the consumer, has benefited for many years past in the cheapness of sugar?—Yes.

4699. And he has not yet suffered by any apparent diminution of the sources of supply?—No.

4700. At what precise moment, or in what year, do you think it became the interest of the consumer that this countervailing duty should be put on, and that he should no longer have this cheap sugar?—I think he has not altogether benefited, because an operation has been going on

Lord *Frederick Cavendish*—continued.

on that is not to the advantage of the consumer. The supply of sugar being transferred to countries that otherwise would not produce it, the advance in sugarmaking has been paralysed in those countries where sugar can be most cheaply made. The consequence is, that although I could not say the exact time at which a change would be to the benefit of the consumer, the evil working of the thing has been going on ever since the bounties began; and it is coming now to a culminating point when the West Indies are certainly doomed to go out of cultivation, unless a change is made.

4701. Up to the present time none of the old sources of supply have ceased, have they?—Yes, they have. There are plenty of abandoned estates in Antigua and in many parts of the West Indies that have been dropping in, one here, and another there; and that has been going on, and will increase in force, I think.

4702. But, on the other hand, in the West Indies there have been additional plantations established, and the production has been maintained?—That is like the case of a sugar refiner. A sugar refiner, finding that the margin of profit is becoming exceedingly small, has to turn out a much larger quantity out of his refinery in order to do it at a remunerative price; and of course this consideration has stimulated those who hold sugar estates to make up for the deficiency as well as their land would enable them to do so.

4703. I understand that, in your opinion, it is absolutely necessary, in order that the West Indies should continue to produce, that they should be afforded some protection from this competition fed by bounties?—I think that that is so, only that I would not like to use the word "protection," because it has two meanings.

4704. That they require some support?—They do not require any support; they require placing on a free-trade footing.

4705. Might not this support or protection (call it what you will) be equally supplied to them by giving them a bounty, as by placing a countervailing duty upon bounty-fed sugar?—I have no doubt that the British West Indies are quite capable of being advanced at the expense of the public by bounties if people are so foolish as to do it; but they do not ask for anything of the kind.

4706. Would it not be cheaper to this country to pay a bounty upon sugar coming from the West Indies than to have the entire sugar, both from the West Indies and abroad, raised in price?—I do not think so. I think it is the interest of this country to have sugar grown where it can be most cheaply produced.

4707. But as I understand you, in the interest of the consumer and everybody else, it is desirable that sugar should be 3*l.* dearer than it is at present in order that the West Indies should be able still to produce it?—I did not say how much it ought to be dearer; but I cannot say that it is to the advantage of the consumer that the price of sugar should be such that it cannot be grown where it can be produced most cheaply without being grown at a loss.

4708. It is desirable that sugar should be 3*l.* or 4*l.* dearer than it is (taking your own figures), in order that the natural supply should continue? It is.

4709. Would it not be better for this nation, as a whole, that that additional number of pounds, 0.104.

Lord *Frederick Cavendish*—continued

whatever it might be, should be given directly in the shape of a bounty, than that we should forego the boon which foreign countries are at present willing to give us in the shape of this bounty-fed sugar?—No, I do not think so at all.

4710. Supposing, for the sake of argument, that our own Colonies supply one-third of the sugar and that the remaining two-thirds come from foreign countries; if you gave a bounty of 3*l.* on one-third, it would not cost the country, as a whole, as much as if the price of all the sugar used in the country was raised, as it would be by the adoption of a countervailing duty?—I do not think that is the question at all. The interest of the consumer is, that the world shall be an open field for the production of sugar; and the interest of the consumer is to remedy the existing state of things by something which places sugar growing on that footing; and that would not accomplish it.

4711. If all sugar was equally received under the same bounty, would not sugar be produced in the same manner as if there were no bounty at all?—I think that it would be, but on a very insecure footing, because, at any time, a change might be made in consequence of a change in the balance of parties in countries, and various causes, quite apart from the question of the supply of sugar.

4712. Why would it not answer the purpose of the West Indies just as well to have 3*l.* per ton given them, directly, only as a bounty, as to have the price of the entire amount of sugar consumed in this country raised by 3*l.* per ton?—It might be an advantage to the West Indies to have 3*l.* per ton given to them, but it is such a hopeless, and unlikely, and unreasonable thing to ask, that they do not ask for it.

4713. But surely it would cost this country less to pay 3*l.* per ton more on one-third, than to pay 3*l.* per ton more on the whole of its consumption?—I do not think you would get the House of Commons to admit that that is a sound principle.

4714. Perhaps the House of Commons may not admit that it is a sound principle to give a countervailing duty, any more than to give a bounty?—That may be.

Mr. *Thornhill*.

4715. How much longer do you think you would go on cultivating your estate?—I do not think we shall go on at all. If we saw that the matter was hopeless now, we should think that the first loss was the best.

4716. If your estate was thrown out of cultivation, could it be utilised for any other crop?—No, not at all. The negroes might squat about upon it and manage to exist themselves; but for any purposes of commerce, or anything of that kind, it would be utterly useless.

4717. A question was asked of the last witness with regard to the negroes in Jamaica, and it was said that the greater part of their wants would be met by the produce of their own gardens; would that mean their own gardens, or gardens that they have taken possession of belonging to other people; do the negroes buy the property, or do they take possession of other people's?—In Antigua they rent them. They squat on places where the owners do not interfere, and have given them up entirely.

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4718. If

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4718. If you threw your estate out of cultivation the negroes would come and squat there and pay you something?—Yes; they would pay us something; but whether what they paid us would make it worth while to get somebody to look after them, would be a very problematical matter.

4719. What do they do on the abandoned estates now?—Nothing whatever.

4720. Do you not think that one reason why it would be wrong to receive a bounty on our West India sugar would be that it would be contrary to free-trade principles, and therefore would not be desirable?—That is the view that I take.

4721. Is it not desirable that the consumers should pay 3 *l.* per ton, which is equivalent to a farthing per lb., rather than that the West Indies should be ruined; because in case the beet crop entirely failed they would have nothing to fall back upon?—I think so.

Mr. Bell.

4722. Did I understand correctly that your make of sugar was 1,000 tons a year?—Yes.

4723. At the present moment you are selling it at 15 *l.* 10 *s.* per ton?—Yes.

4724. From what we have heard in this room we have been led to believe that 2 *s.* 6 *d.* per cwt. at least would be required as a countervailing duty?—This year I daresay we shall have a crop of between 1,400 and 1,600 tons.

4725. We must deal here with average produce; I think the balance of evidence was in favour of about 2 *s.* 6 *d.* per cwt. Some gentlemen said 2 *l.* per ton, and others 3 *l.*; taking it at 2 *l.* 10 *s.*, in your opinion, would 2 *l.* 10 *s.* be enough?—Yes, I think it would place it on a free-trade footing. I think the price would rise more than that.

4726. That would bring the price up to 18 *s.*?—Yes.

4727. You mentioned that you could grow sugar at 19 *s.* without loss?—That is about it. I could not say exactly the figure; there are so many things. I have put it at 19 *s.* there.

4728. You also said that a farthing per lb. was required in order to enable you to pay 5 per cent. upon your capital?—Yes.

4729. But then your 19 *s.* per cwt. for sugar at no loss, plus 2 *s.* 6 *d.* per cwt., to ensure that 5 per cent., makes 21 *s.* 6 *d.* you know; and yet the 2 *s.* 6 *d.*, added to the 15 *s.* 6 *d.* only makes 18 *s.*?—Yes, I was not thinking that a farthing per lb. upon the present prices would make the difference, because I think it has been stated that sugar, like everything else, has suffered in price on other accounts besides the French bounties. The influence of the French bounties and the other influences are two different matters, and the difference of a farthing per lb. in rectification of the French bounties would be an influence which would enable us to pay 5 per cent.; but I certainly expect that the price of sugar will rise more than that, quite apart from the question of French bounties, in consequence of the natural rise and fall of the prices of all kinds of commodities.

4730. But taking things as they actually are, this 2 *s.* 6 *d.* per cwt. will not relieve you of the difficulty; you will have to wait in common with the rest of the commercial world for an alteration in what you term "other influences"?—Yes;

Mr. Bell—continued.

and we would wait for that if we had free trade, because then we should know that there was some kind of hope before us.

4731. I think you said that you employ 750 people, and that you pay 9,000 *l.* a year for wages?—Yes; it really is rather more than 9,000 *l.*

4732. Then each of your workpeople would be getting 12 *l.* a year?—The average wages are 4 *s.* per week all round; but they do not work all the week; they work when they choose to work. On Mondays and Tuesdays they will be mostly idle, and they only work the latter part of the week; but their average wages are about 4 *s.* per week; some of them are women.

4733. Then you spend about 7,000 *l.* or 8,000 *l.* a year, I think you said, in English manufactures?—Yes.

4734. In order to enable you to do this, it appears to me that you propose by this countervailing duty to add at least 2,500 *l.* a year to the cost of sugar?—Yes.

4735. That is to say, the English nation, which enrolls you among its customers to the extent of 7,000 *l.* or 8,000 *l.* a year, would have to pay nearly 3,000 *l.* a year in order to retain your custom?—Yes.

4736. With regard to the quality of the sugar you mentioned, I think, that with beetroot sugar you cannot make jelly at all, or that the jelly would not stiffen?—Yes.

4737. Then you went on afterwards to say that there was no pure cane sugar in the country?—I can get pure cane sugar, because I am a sugar refiner.

4738. But there seems to be an inconsistency in the two answers. I think jelly is made in the country?—Yes.

4739. And jelly cannot be made without cane sugar?—No; and the manufacturers know where to get cane sugar. It is the general consumer that does not know very well where to get it; but the manufacturers of preserves know where to get it.

4740. But I think you went the length of stating that there was no pure cane sugar to be had in the country?—Not in the form of loaf sugar; but in an equally pure form there is.

4741. In your opinion unless free trade is untrammelled it is worse than protection, is it?—I do not quite understand that.

4742. You said that you must have free trade untrammelled?—Free trade means untrammelled trade.

4743. We have no free trade in the world?—We have what is understood by free trade. What is understood by free trade is that if customs' duties, or any other duties are levied, they shall be so levied that they do not interfere with the exchange of commodities between nations.

4744. You are putting things in the conditional mood; I want to take things as they are?—As they are we have not free trade on account of the French bounties.

4745. It is bad not to have free trade?—It is.

4746. Perhaps you would like to go back to protection?—No, I would not.

4747. At all events, what we have is better than protection?—Certainly. I want to have more free trade, to be better still.

4748. Would

Mr. Bell—continued.

4748. Would it be a step towards free trade to put a protective duty upon sugar coming here?—Not to put on a protective duty, but to put on a countervailing duty it would.

4749. You may call it a countervailing duty, but it is a protection for you against the beet-root sugar; practically it amounts to that, does it not?—I do not think it does in the sense that we generally use the word. A great many English words have two meanings, and "protection" is one of those words.

4750. You do not mean to limit the meanings of English words to two, do you?—No; but when I am answering the question I look at the thing in a certain meaning. You might say it was protection if I wanted a policeman to prevent somebody knocking me down in the street, but that is not a question of protection in trade. Protection in trade means an artificial advantage given by one country for the purpose of fostering an industry which otherwise would not succeed in that country, or would not succeed without being placed on its legs, in the first place, as is sometimes the case in a new country. In that sense of the word "protection" I could not call a countervailing duty a protective duty, because it is not one in that sense.

4751. I think you expressed a fear that if matters continue as they are now, the sugar estates in the West Indies and elsewhere will be thrown out of cultivation, and that in consequence we may have to pay more for sugar than we are paying now?—I do not think there is any doubt about it.

4752. Then one might argue in the same way, might one not, with regard to any branch of industry. Supposing that you heard at the present moment that all the coalowners of Great Britain were losing 1s. per ton, would you think that a reason for asking for a Select Committee to raise the price of coal 1s. per ton on the plea that if all collieries were shut up we should have to pay more hereafter?—I should think it unnecessary, because this is a free trade country. We know that where the market is perfectly open and uncontrolled by unnatural causes, it will set itself right, and that coal would ultimately come to its proper price; but in our case the thing is utterly impossible without the removal of that which is the disturbing cause, and which is acting contrary to the principles of free trade.

4753. But the disturbing cause in each case would be the fact that the coalowner and the sugar grower were not making any profit?—Yes; but in the one case the want of profit would set things right, and in the other case it would not set things right. In our case it would cause sugar to be ultimately grown in countries where we know it cannot be grown most cheaply, and it cannot be an ultimate advantage to the world to have sugar grown where otherwise it could not be grown most cheaply.

Mr. Courtney.

4754. Have you ever been in Antigua?—No, I have not.

4755. Do you know whether there is any export duty on sugar in Antigua?—There is a small duty on packages, which amounts to 2d. per cwt. in concrete.

4756. Or in any other of the West Indian
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Mr. Courtney—continued.

Islands?—I do not know whether there is or not; but it is a very small matter if there is.

4757. If there is, it would offend against your principles?—If there was an export duty on sugar it would be decidedly an anti-free trade matter; countries do not generally place duties on exports of their produce.

4758. You will find, I think, that almost all the West Indian Islands have export duties?—Whatever it is, it must be a very trifling matter, and a manifestly wrong thing.

4759. Does your system of making sugar in a concrete form extend?—Yes.

4760. Is it adopted in other places?—It is adopted in other places, and the largest company in the world, the Colonial company, use our apparatus, and find that it is a cheaper way of producing sugar than making ordinary Muscovado sugar.

4761. Your principle of free trade is, that commodities should be produced under natural conditions, as far as possible, everywhere?—Yes.

4762. And that no Government should interfere with the production of commodities?—Yes.

4763. If any other Government than ours does interfere so as to disturb the natural conditions of production, you would then justify a counterbalancing action so as to restore those natural conditions?—It would depend upon circumstances. If a country adopted a mode of protecting its manufactures over which we had absolute control, then I should certainly use that control, and prevent free trade being tampered with; but that is not always the case.

4764. If the action could, in your point of view, restore the original ratios of the conditions of production, you would take that action?—Yes.

4765. Your principle of free trade is that commodities should be produced all over the world according to the natural condition of production; someone in France takes action which disturbs the condition of production of a particular commodity in that country; if England would take action which should restore the relative conditions of production of that commodity in its colonies, you would justify England in taking that action?—Yes, I should.

4766. That is your principle?—That is my principle; if you can do it with a certainty.

4767. The ultimate thing at which we all aim is an entire abstinence on the part of the Government from interference with the conditions of production?—Yes.

4768. Might we not best secure that end by showing on our own part a complete abstinence from any action?—We have done so.

4769. Is not that the best way of securing the end?—Not in all cases. I think it is a very weak course of action where we have the remedy entirely in our own hands. I think it is a very weak position indeed to take up to allow ourselves to be ruined simply because we will sit still under it. The French could not retaliate upon us; the matter is entirely in our own hands.

4770. My point is this; since we concede that the end that we desire is complete abstinence on the part of the Government from interference in any way, could we not best promote that end by being perfectly inactive ourselves?—We cannot have a better proof than the case we are dealing with that that is not so; because the
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universal opinion is that if we were to put a countervailing duty on, we should secure at once a sugar convention, and free trade in sugar. I believe that would be the result.

Mr. Alexander Brown.

4771. Do you believe it to be an absolute certainty that if you put a countervailing duty on there would be immediately what the witnesses have told us, viz., refining in bond abroad?—I do not think there is the slightest question about it.

4772. Upon what do you base your opinion?—Because this is the largest market. Other countries cannot possibly carry on the manufacture of sugar to any purpose without they have the English market and the French market to send their sugar to. There would be no object in their making such a quantity of sugar; as they do not consume it in their own countries.

4773. There might be some circumstances under which they could not refine in bond, might there not?—I do not think there are such circumstances anywhere.

4774. In the case of Belgium, for instance?—I think the Belgians could refine in bond. If it had been worth while I have no doubt they could have been brought round to refine in bond, but as the Belgians were quite willing to reduce their duty to almost a nominal point, so as to make it a matter of no importance whether they refined in bond or not, the other countries did not think it worth while to raise an unnecessary difficulty with Belgium, as I understand the position.

4775. If foreign countries give bounties, you would, in order to restore what you call free-trade, exactly countervail, by a duty, the amount of the bounty?—Yes.

4776. In order to do that you would have to countervail them accurately, would you not?—Where a country like England has very large advantages over other countries in the manufacture and refining of sugar, she can afford to accomplish that by having a countervailing duty that is really less than the bounty.

4777. Then you do not countervail the bounty?—You do not countervail it to the full extent.

4778. That is to say, you put on a sort of duty which practically is more in the nature of a retaliatory duty than of a countervailing duty?—It is not retaliatory. We could fairly put on a duty that exactly equalled the amount of the bounty; but if we put on a duty which we know does not really cover the amount of bounty got by the foreigners, they are still at an advantage over us; but it is an advantage that we can, by our natural advantages, overcome.

4779. Supposing that the Austrian bounty is 4*l.* per ton, and that we put on a countervailing duty of 3*l.* per ton, we do not countervail the bounty absolutely?—We give them the benefit of the doubt.

4780. Is not that very much the same as saying that we are trying to destroy the industry in Austria, although not to its full amount?—No, we are not trying to destroy the industry in Austria; we do not know that it will destroy it. We cannot tell to a certainty, until bounties are done away with, where sugar will ultimately be grown, excepting that we think it will be grown in certain places.

Mr. Alexander Brown—continued.

4781. According to your view England is the largest market for this sugar?—Yes.

4782. And you do something that is to check that Austrian sugar from coming into this market?—Yes, to check Austrian sugar coming into this market below the natural market price.

4783. But you check it whether it is below or above the natural market price?—It may come into the market on fair terms.

4784. But you would check it if it comes below fair terms?—Yes, if it comes below fair terms.

4785. You say that now it is below fair terms?—It is.

4786. And, therefore, you would check it?—Yes.

4787. And, therefore, do you not, in doing that, do something to destroy the Austrian beetroot cultivation?—The result of free-trade measures is sometimes very unexpected. People who thought that their trades depended upon protection have found that the application of free-trade to them has made them more economical in their processes of manufacture, and much more ingenious, and it has been an advantage to them greater than any disadvantages which arose from taking protection from them; and that may be so in Austria, for anything I know.

4788. You propose to check the Austrian sugar coming into this market?—I do not propose to check any sugar coming into this market; I only say that we should apply the principle of free-trade to sugar.

4789. Will you allow me to remind you of one of your own answers, in which you said that the effect of a countervailing duty would be to check Austrian sugar coming in, if it is, as it is now, below the natural market price?—That is so.

4790. Therefore you do check Austrian sugar coming into this market?—I cannot tell that, because I do not know what the Austrians can afford to send it in at.

4791. But you intend to check Austrian sugar coming into this market, in order to give a certain benefit to West Indian sugar?—I am not advocating the interests of any particular manufactures anywhere; I am simply advocating the application to sugar of the principles of free trade, quite regardless of what the effect is. I would say exactly what Mr. Cobden says.

4792. I want to know what would be the effect upon West Indian sugar, of checking this Austrian sugar; it would stimulate the industry of the West Indies, would it not?—Yes.

4793. Therefore, to a certain extent, the effect of the checking of Austrian sugar would be to diminish the amount of Austrian sugar coming into the English market, and that difference would be met by sending up the West Indian sugars?—Yes.

4794. That being so, would you not do something which would tend to destroy the Austrian beetroot cultivation?—It would tend to destroy it.

4795. You put the Austrian beet sugar manufacturers under a certain disadvantage, do you not?—Not a disadvantage.

Mr. Bell.

4796. You take away an advantage?—We take away an unnatural advantage that they have; and, of course, if you take anything away from a man, he is that much worse off.

4797. You

Mr. Alexander Brown.

4797. You cripple that industry, and having got to that point, you think that by doing that, you are furthering the principles of free trade?—Certainly I do.

Chairman.

4798. When the honourable Member speaks about checking the Austrian exportation of sugar, that would not necessarily be a check, would it?—Not necessarily.

4799. If Austria could produce sugar as low as the West Indies, they would continue to send their sugar in here?—They would.

4800. When you speak about a countervailing duty, you simply want to remove the disadvantages under which our sugar-growing colonies labour?—Yes.

4801. You do not wish to give them any advantage over the Austrian sugar?—Certainly not.

4802. And if the Austrian sugar could be brought in here at a less price than colonial sugar, you do not desire to be protected against that natural disadvantage?—No.

4803. In fact, a countervailing duty would be no check to natural advantages at all?—No.

4804. And it would not necessarily be a check on Austrian sugar?—Certainly not.

4805. The word "retaliatory" has been used; but a retaliatory duty is a duty which does an injury to the person against whose goods you put on the retaliatory duty, is it not?—Yes.

4806. Would a countervailing duty which prevented the Austrian people having to contribute, out of their pockets, money for the support of any particular industry, be an injury to the Austrian public?—It would not.

4807. Therefore it would not be retaliatory?—It would not be retaliatory.

4808. An honourable Member spoke about this countervailing duty, and said that, in order to be a proper countervailing duty, it must be an accurate one, that is to say, one which accurately countervailed the bounty; you admit that, of course?—Yes.

4809. Anything which exceeded the amount of the bounty would be protection?—It would.

4810. But anything which did not quite come up to the amount of the bounty would be in favour of the country from which the goods came, would it not?—Certainly.

4811. And you would, rather than run the slightest risk of being charged with a desire for protection, prefer still to permit produce, under some small bounty, to come in from some countries?—I would.

4812. But it would be no infringement of free trade if the countervailing duty was not so much as the bounty?—No.

4813. Those countries who gave the bounty would continue to infringe free trade, but we should not?—No.

4814. You were asked what ground you had for supposing that France would refine in bond; you are aware, I suppose, that we have had evidence before this Committee to show that the French refiners have agreed to refine in bond?—Yes.

4815. But that one of the conditions upon which they will refine in bond is, that we shall place their sugar and Austrian sugar, and other sugar, upon the same level, by means of a countervailing duty against bounties?—Certainly.

Chairman—continued.

tainly. You could not expect them to take any other position.

4816. Supposing that four out of the six sugar-producing countries were willing to come under a convention establishing refining in bond, which would certainly abolish bounties, do you not think it would be a very wrong thing for England to stand in the way of bringing about that free trade position, by refusing to take steps against the other two countries, unless they also took similar action to the other four?—I think it would be most inconsistent with their views upon free trade.

4817. Therefore, supposing that four of the countries were willing to come under a convention with a penal clause, and two of them would not, it would be a very absurd thing for us not to take advantage of the opportunity of doing away with the bounty in four out of the six countries by means of refining in bond, and in the other two, by means of a countervailing duty?—Yes.

4818. You believe that refining in bond is the only means of absolutely abolishing bounties, but I also understand that you are willing to accept equivalents from countries where there may be any great difficulty in carrying that out provided their duties are reduced?—Yes.

4819. It is not that you believe that any other system than that of refining in bond will practically have the effect of abolishing bounties, but that, in the case of countries where the duties are very low, the amount of the bounty would be very small?—Yes.

4820. You were asked your opinion, from the consumers' point of view, and I think you stated that, in your opinion, it was not a good thing for the consumer that this bounty should continue, and the honourable Member asked you whether the same argument would not apply to coals, and he put this case to you: "Supposing that the colliery proprietors here found themselves unable to work their mines, unless they got 1*s.* per ton more, would not that be very much the same case as that of the sugar refiners?" But, as a matter of fact, if coal could be imported into this country naturally lower than we could produce it, it would not be an injury to the consumer, because he would always be able to depend upon the supply, the supply being a natural one?—Yes.

4821. But, in the case of sugar, the supply is not a natural one, and we run the risk of having our supply destroyed, because artificial means are used to extinguish our trade?—Yes.

4822. And, as the object with which the bounty was put on diminished, the supply would cease, and the bounty being taken off, the price to the consumer would rise considerably?—Yes.

4823. Therefore it is not to the interest of the consumer that by means of bounties the price should be artificially reduced?—No.

4824. Therefore the case of the supply of coal which is based upon natural conditions, does not apply at all?—Certainly it does not.

4825. You would reply to the proposition made by the same honourable Member that you desire England to pay you 3,000*l.* a year for the sake of retaining your custom, that it is not for the good of the English nation that this state of things should continue?—Yes.

4826. The noble Lord, the Member for the West Riding,

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Riding, asked you a question upon the subject of paying a bounty, and I think he asked whether it would not be cheaper for us to pay a bounty upon the cane sugar than to put on this countervailing duty; in the first place, is it a matter of fact that only one-third of our sugar is cane sugar?—No.

4827. Is it not a fact that two-thirds of our sugar is cane sugar?—Yes, I think it is.

4828. Then the bounty would have to be paid upon two-thirds, would it not?—Yes.

4829. But would a bounty upon raw sugar meet the difficulties of the refiners?—No, it would not.

4830. You would, practically, also have to give a bounty upon all the sugar that was refined here, would you not?—Yes.

4831. From that point of view, do you consider that it would be for the benefit of this country, even if there were no other objections to it, to give a bounty instead of imposing a countervailing duty?—No, I did not think of it at the time, or else it would have been quite manifest to me that the continuing of the bounties to the French refiner would have the effect of continuing to reduce the price of sugar, so that the bounty given to the West Indian planters would have to be continually increased to meet it.

4832. And it is quite possible that, as the bounty which we gave was found to counteract the bounties given by foreign nations, the bounties would increase, so that there would be a war of tariffs, and we should have to go on increasing the bounty?—Yes, just so.

4833. But getting rid of bounty by means of refining in bond is not attended by any difficulty of that kind?—None whatever.

4834. You said, I think, in answer to a question that it was desirable that sugar should be from 2 l. to 3 l. per ton dearer; but do you advocate this abolition of the bounty simply upon the ground that sugar ought to be 2 l. or 3 l. per ton dearer?—Certainly not; I should think it would be a hopeless ground to come forward on merely for the sake of raising the price of sugar.

Chairman—continued.

4835. Does it follow, as a matter of course, that if there were a countervailing duty of 3 l. per ton, sugar would rise 3 l. per ton in price?—It is very uncertain what sugar would do exactly.

4836. There would be a competition, would there not, amongst the sugar growing colonies themselves, and there would be the competition which the cane grown sugar would meet with from all the beetroot growing countries, and that competition would naturally force down the prices to a sum which would simply give an adequate return?—Yes.

4837. In fact it would be on the same level as any other industry?—Yes.

4838. A question was asked you as to when you began to suffer from these bounties, they having been in force for many years; as a matter of fact it is only within the last two or three years that the great increase in the Austrian growth of beet has taken place?—Yes.

4839. And it is since that great increase that the pressure has been most severely felt?—Yes.

4840. I suppose that you, as a proprietor, would say that a sugar grower would not immediately give up his industry, even although he were losing, if he saw any chance of a remedy?—No, he would not, if he saw any chance of a remedy.

4841. As a matter of fact, have not the present Government and the last Government for a great many years, ever since 1864, indeed, been doing their utmost to put a stop to these bounties?—They have.

4842. And, naturally, you would assume that these exertions of the Government would, in the event, have some result?—Yes.

4843. What, in your opinion, would ensue if no result were to follow from the Committee which is now sitting?—I think that if there is positively and definitely no result arising from the action of this Committee, a great number of estates in the West Indies will at once give in. They will say that "It is utterly useless to struggle any longer with a hopeless task, and the sooner we stop the better."

Friday, 18th July 1879.

MEMBERS PRESENT:

Mr. Balfour.
Mr. Bell.
Mr. Bourke.
Mr. Alexander Brown.
Lord Frederick Cavendish.
Mr. Eugene Collins.
Mr. James Corry.
Mr. Courtney.

Mr. Sampson Lloyd.
Sir James M'Garel-Hogg.
Mr. Morley.
Mr. Norwood.
Mr. Ritchie.
Mr. Stewart.
Mr. Thornhill.

C. T. RITCHIE, Esq., IN THE CHAIR.

Mr. FREDERICK GOULBURN WALPOLE, called in; and Examined.

Chairman.

4844. You are Assistant Secretary, I think, to the Board of Customs?—Yes.

4845. You have been present at the various Conferences which have taken place with foreign powers upon the question of drawbacks upon their sugar, have you not?—I have.

4846. You were present, I think, at the Conference in 1864, at which the Convention of that date was agreed to?—I was.

4847. You were then, I think, assistant to Mr. Mallet and Mr. Ogilvie?—I was.

4848. You were present also at the Brussels Conference of 1875, were you not?—I was.

4849. In what capacity were you there?—I was then the first British delegate.

4850. And you occupied the same position, I believe, at the Conferences of 1876 and 1877 at Paris?—Yes.

4851. In addition to the position which you occupied at these various Conferences, I believe you were sent on special missions upon the subject to Brussels and the Hague, with a view of endeavouring to arrange some difficulties which arose as to the ratification of the last Convention that was agreed to?—I was.

4852. Can you give us any positive opinion as to what it was that caused the breakdown of the several Conventions which have been agreed to at those Conferences?—Do you wish me to go back to the Convention of 1864, or to the non-ratification of the draft Convention of the subsequent Conferences?

4853. Taking the Convention of 1864 first, that Convention, I think, was never fully carried out, was it?—It was never fully carried out by France. The basis of that Convention was to establish a correlation between duties and drawbacks. The principle of the Convention was correlation, and this the French did not carry out. Therefore France may be said not to have carried out that Convention at all, as she evaded the principal basis. France gave some satisfactory reasons, or reasons which were admitted by subsequent Conferences to be satisfactory, although they were never quite held to be so, for not 0.104.

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having established the correlation; but in practice she never did so. This led to remonstrances on the part of Her Majesty's Government, and previously to that Convention coming to a close, France undertook to establish the correlation; but she again, after a time, deferred doing so, because she led us to hope that she was going to give you satisfaction by adopting the system of refining in bond, which will quite do away with all bounties."

4854. You spoke about the basis of the Convention of 1864 being this correlation; but what was the object in view at the Conference of 1864?—To get rid of the bounties on export.

4855. That was acknowledged to be the object by all the powers who were parties to the Conference?—Yes; the negotiations were held at the instigation of the foreign powers; Belgium and France originally commenced it.

4856. It being fully admitted, I imagine, that the bounties did exist?—It was fully admitted that the only object of the negotiations was to do away with the bounties.

4857. You say that one of the principles of this Convention was the establishment of a correlation which was never carried out by France?—It was never carried out by France.

4858. Will you describe to the Committee what you mean by correlation?—The duty is levied on raw sugar. Raw sugar varies very much in saccharine richness; some sugars will yield, in refined sugar, 65, 70, 80, and 90 per cent. The duty being levied on the raw material, we had to ascertain what would be the duty on the refined product, that is to say, the percentage of the refined product which could be extracted from the raw material; so that a rich Java sugar, which yielded 98 per cent. of refined sugar, and a very low class Jamaica sugar which yielded 70 per cent. of refined sugar, had to be assessed with the relative duties according to their saccharine richness. Hence there was established a classification of duties including every sugar; that is to say, sugars were classed, and the average of that class established the duty on the

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the refined; that is, on the quantity of the refined product which could be produced out of the unmanufactured article. If that had been a correct assessment of duties, of course a correlation would have been then and there established; because there was only one duty paid upon the export of refined sugar, that is to say, an amount equal to the duty on the raw sugar imported would be returned on the refined sugar exported. The difficulty was to put the duties on the raw sugar in correlation with the per-centage of the refined product.

4859. Is it the case that a very considerable bounty was obtained by the French refiners in consequence of their using a sugar, the duty on which was paid as raw sugar, but which was practically so white as to be almost refined sugar?—There was one class of sugar, which is known as white crystals in this country, and which, I think, they call *poudres blanches* in France, to which that observation would apply. It is an extremely high class sugar; you may call it refined sugar; it required hardly any expenditure of labour to make it equal to the first class refined. I believe it did go through the refinery, but it was practically refined sugar before it went into the refinery; it merely passed in and passed out again.

4860. And, notwithstanding the fact that it was almost pure sugar, the duty levied upon it was only a duty levied upon what was understood as raw sugar, which was not expected to yield anything like the same per-centage of refined as *poudres blanches* practically did?—Certainly not.

4861. Therefore in consequence of that correlation not being carried out, the French refiners obtained a very large bounty under the Convention of 1864?—They did in reference to that sugar and other classes of sugar, but not all to the same extent; it depended upon the sugar which they used.

4862. But it was with reference to that particular class of sugar that our refiners complained the most?—They made a very special complaint about that; I do not know whether you could say that they complained of it the most, because my recollection from reading the memorials is that they alleged that they were completely annihilated by the whole French system, and the enormous extent of the bounties in those days, which was not less, I think, than 700,000 *l.* or 800,000 *l.* You may be right; I know there was a special complaint of that class of sugar.

4863. When did those complaints begin to arise with reference to the Convention of 1864?—I think the trade memorials that I recollect best were seven or eight years afterwards, but I did not think of looking at that point. I was not engaged on the sugar question intermediately. Mr. Ogilvie then reported upon all these papers; but the point is more fully brought out in the trade memorials of 1872 and 1873, when they doubled the French duties and consequently doubled the bounties. Until then I believe the English refiners did, in a manner, struggle on to a certain extent.

4864. You were going on to tell us that in consequence of the French Assembly having passed a law for refining in bond, the French Government said that all our complaints with reference to the mode of obtaining bounties at

Chairman—continued.

that time would be remedied, because refining in bond would be put into practice?—That is so.

4865. What steps were taken to obtain a settlement upon that basis?—To explain the matter the French Government were placed in this position; in consequence of the Convention of 1864 not being found to answer its purpose, a Conference had been called in London to see what remedy could be proposed, and a question had been raised whether saccharinetry should not supersede it. The British delegates recommended refining in bond.

4866. Who were the British delegates?—Sir Louis Mallet, Mr. Ogilvie, and Mr. Kennedy. The British delegates proposed refining in bond. The French Government were subsequently in a different position from that in which they were when they proposed the renewal of the negotiations. The Assembly had then forced the hand of the Government, inasmuch as they had carried refining in bond by a very large majority in the National Assembly. The French Government then, in order to protect their refiners from the bounties to which they might be subjected from other countries, called a Conference at Brussels, and then proposed for the first time, as an international basis, refining in bond. The position of the French Government was then changed. Their own refiners had to go into bond, and they looked at the matter in this light, "If our refiners go into bond, and lose their bounty, we wish all other countries to go into bond also, and lose their bounty, or we shall be ruined by foreign competition." They applied to Great Britain; we had no sugar duties at that time, but there is no doubt that we were a very important element in the Conference, because the parties to the Conference in 1864 were France, Belgium, Holland, and Great Britain; if England was a party to the Convention, it would naturally give it more solidity (that is, perhaps, the best word I can use) in the eyes of Belgium and Holland; that is to say, the more great powers you have parties to a treaty, the better are the interests of the smaller powers secured.

4867. You mean that the smaller powers would have more confidence in any treaty being carried out which was agreed to, if England was a party to it?—I think so; I am explaining the irregularity of a country going to the Conference that had no sugar duties. We assisted very much, I think, in that Convention; that was the Brussels Conference of 1875. You should understand that the French Government, so soon as their refiners were driven into bond by the Assembly, then immediately set to work to secure fair competition for their refiners under the altered conditions under which they were to work; and the best way of doing it was to get an International Convention to stop other countries giving bounties.

4868. And the Convention was agreed to at that Conference?—Yes.

4869. For refining in bond?—For refining in bond for the three countries, and a separate system for Belgium. For very special reasons there were separate articles framed for Belgium.

4870. That Convention was never ratified by the Dutch Assembly, I think?—No.

4871. Their ratification was refused?—Yes.

4872. What, in your opinion, led to the failure of that Convention?—The same reasons as led to the failure of all the negotiations; the want of confidence

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confidence that each country had in the other carrying out the system; if an identical system had been proposed for every country, there would not have been so much fear; but, as Holland and France proposed to refine in bond under different systems, and a different system was maintained for Belgium, it was feared that any one country might obtain an undue advantage. In the French regulations for refining in bond, they proposed to take a preliminary duty which, as you may conceive, is totally unnecessary in any bonding system, the object of a bonding system being to obviate the necessity for taking any duty, and thereby obviate the necessity of granting any drawback. The French system included a regulation for taking a preliminary duty, and then returning it in drawback. The reason that the Dutch gave at the time was, that there was no special article allowing them to abolish their duties; but in fact, a feeling of distrust had been generated in the minds of the Dutch refiners, which reacted upon their representatives in the Chamber, and the Treaty was thrown out.

4873. The reason given for throwing out the treaty in the Dutch Assembly was, that it did not contain an article enabling Holland to abolish her duties?—That was the ostensible reason, but there were a great many reasons given, even in the debate.

4874. On reconsideration by the Chamber, they asked their Government to enter into further negotiations, I think, and those negotiations led to a Conference in Paris?—Yes.

4875. At which you were also present?—Yes.

4876. And there another Convention was agreed to on the principle of refining in bond?—Yes; exactly.

4877. But equally that Convention has turned out a failure?—Yes; for the same reason, that the Dutch and French Governments were unable to agree as to the system of refining in bond; Article III. of the Treaty.

4878. But I think, after the Convention had been agreed to, a difficulty arose with Holland, did it not?—Yes, Holland raised objections to three Articles of the Treaty; but I went to Holland specially about the objections which they raised, and we got over the difficulties.

4879. At what date did you go to Holland?—It was in March 1877 that the treaty was signed, and it was in May that I went to Holland.

4880. You went to Brussels first, and afterwards to the Hague, with a view of endeavouring to get rid of those difficulties which had been raised?—Yes.

4881. Did you succeed in removing the difficulties?—I thought I had. I was promised by the Dutch Minister that everything was arranged, as stated in a Despatch published in the Blue Book. Monsieur Malou, the Belgian Prime Minister, very readily gave all the concessions which the Dutch Government had asked for, which they had not given at the Conference, but they gave way immediately at the request of the British Government. The Dutch Government withdrew certain objections which they had raised to two other articles, and they said, "The only thing that remains is about the system of refining in bond, which we shall be able to settle easily with the French Government"; and at the Conference that I had with the Minister of Foreign Affairs and the Minister of Finance, Mr. Uyttenhooven (who has since died), one of

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the delegates at a former Conference proposed that they should insert an article giving each country power to adopt the Belgian system. But the Dutch Minister of Finance asked whether this point had been already raised, and, on Mr. Uyttenhooven replying that it had not, he said, "We will not raise any more difficulties." Ultimately, after I had left, they must have reconsidered the matter. It must be said, in excuse for the Dutch Government, that the former convention had previously been thrown out. No question was at that time brought before their Parliament upon which they could reckon upon a majority of one; and there was reason to fear that the convention might be thrown out.

4882. That was the previous convention that had been thrown out?—Yes. Afterwards they proposed this new article, which practically had the effect of making all the Conferences at which we had assisted useless. We had never discussed a treaty upon the basis of the Belgian equivalent for all the countries.

4883. Then, do I rightly understand that, after that question had been raised in your presence and apparently settled, it was again raised?—It must have been raised again afterwards, because it was included in the Despatch afterwards written to the British Government.

4884. That was what was called "Article VI. bis"?—Yes. I wish it to be thoroughly understood that though I think the Dutch Government were very irregular, and their procedure had the effect of making our Conferences useless, there is no doubt that they were in a very difficult position with their Chamber. The previous Convention had been thrown out, and I have no doubt they were persuaded, after I left, that the same thing might occur again.

4885. But was it not the action of the Dutch Parliament, after the rejection of the previous Convention, which caused the Dutch Government to re-open negotiations for a further conference?—Yes, but there was a great confusion then, which is very difficult to explain. It was ostensibly thrown out for one reason, but there is no doubt that this extreme jealousy between Holland and Belgium and the different system for Belgium would, no doubt, have again given rise to difficulties in Parliament; I do not say insurmountable difficulties. The Dutch Government had discussed it on the basis of refining in bond, and carried that basis after six weeks' discussion. At two different Conferences in two different years, the basis of refining in bond had been recommended by the Dutch delegates, and a Convention was agreed to on this basis, and I think they were bound to put it before their Parliament and take their chance. They did not do so, and Her Majesty's Government have expressed their views about it in a Despatch, which was published in a Blue Book, in which they considered that the Dutch Government had acted very irregularly. However, that was the reason that it came to nothing.

4886. You say you think the real reason why the previous Convention came to nothing was the jealousy felt by Holland as to the position of Belgium; but the position of Belgium was considerably altered, was it not, under the Convention of 1877, because she undertook to reduce her duties by one half?—She undertook to re-

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duce her duties by one half, and even more, at this last conference.

4887. That was a new feature in 1877, as compared with 1875?—Yes.

4888. Therefore, to some extent, the cause of the jealousy would by that means be removed?—She had previously agreed to reduce her duties, but by one-third only.

4889. But she had not agreed to reduce her duties in the Convention of 1875, which was rejected?—I think she had, if I recollect right; however, she modified them very considerably. She had made them much easier for the Dutch Chamber to accept, especially when she granted the concessions which she ultimately made at the instigation of Her Majesty's Government.

4890. Then a considerable amount of negotiation took place, subsequent to your return, between this Government and the Dutch Government, and the French Government?—Yes.

4891. But, in the end, the Convention of 1877, like the others, fell through?—Yes, it was never ratified; it was never signed by the Plenipotentiaries.

4892. In these various Conferences, I presume that all the different methods of abolishing bounties were very fully discussed?—They were very fully discussed.

4893. The saccharimetric system was thoroughly investigated, and very fully discussed?—It was.

4894. It was rejected, I believe?—It was rejected by the Conference at Paris, certainly.

4895. In favour of the system of refining in bond?—Yes.

4896. From the part which you took in the examination of the subject, and in the discussion, are you of the opinion (as you appear to have been at those Conferences) that no other system, except that of refining in bond, will have the effect of entirely abolishing the bounties?—There is certainly no other system at present known which will abolish bounties. That I can undertake to say.

4897. Then you agree with what we have been told by previous witnesses, that any system by which a drawback is obtained, must necessarily be a system which gives a bounty?—Unless you put it the other way, and give the refiner less in drawback than he paid in duty. You might invent such a system as that. We could do that, but practically it would come to a bounty; it must contain a bounty.

4898. You spoke about the various parties to the Conferences mutually distrusting one another; what you mean by their mutually distrusting one another, I presume, is as to whether bounties would really be abolished in those various countries?—Yes.

4899. Do you consider that, in any further negotiations, or any further Conferences, it would be necessary to make some provision for compelling any countries, parties to the Convention, to abolish bounties by means of a penal clause against any country giving bounties?—I think it is absolutely necessary, especially now, under the altered state of things. When we signed the last Convention at Paris the Minister of Commerce insisted that we should insert a clause similar to Article XIX. of the Convention of 1864, only drawn up in terms which would make it more obligatory to enforce that Article. Her Majesty's Government would not adopt that

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course, and declined to accept such an Article. The Minister of Commerce then said (and it is printed in the Minutes), "Well, if the Convention is thrown out in our Chamber Her Majesty's Government have only themselves to thank for it." It is very obvious that the French Government were not in their right to demand such an Article, for this reason: we had always treated upon the question of bounty on refined sugar, and the Conferences were called explicitly on the question of refined sugar; it was limited to that. In 1864 no question as to raw sugar had arisen, because the Austrian competition had not yet set in; but when Monsieur Teisserenc du Bord spoke there was no doubt that the French indigenous sugar industry was being exposed to exactly the same process which had been going on in this country with reference to our refiners. It was perfectly logical and right, although not within the terms of the reference to the Conference, as I understood it, that he should say, "If we assist you in getting rid of the anomaly which exists now of giving bounties on refined sugar, we have a right to ask you to assist us in preventing our indigenous sugar manufacturers getting into the same position as your sugar refiners are in."

4900. Then, in point of fact, the question of the bounty on the raw sugar coming from Austria was raised by the French delegates at the last Conference?—It was raised at great length and with much persistence.

4901. Was that the first time that the question of bounty on raw sugar had arisen at any of the Conferences?—Yes, in 1876 and 1877.

4902. It was only then, I presume, from that, that France was beginning to fear the difficulty of contending with bounty-fed raw sugar?—We did not come to an agreement in 1876; it was adjourned; but a protocol was drawn up in which it was alleged that the failure to come to an agreement, arose from Her Majesty's Government not consenting to take action as regards a surtax upon raw sugar. Upon reference to the Minute you will see that I protested, and declined to sign any statement, because the failure of the Conferences could not be fairly put upon that ground; it was a fair ground, but it was not a just ground to put it upon. In a subsequent Report of mine to Her Majesty's Government, I stated that there was no doubt that the great impetus now given to the production of sugar in Austria, and the enormous increase in the exports and bounties, which latter one year ate up the whole of the revenue (so that they kept a whole staff of customs officers in Austria to collect nothing, but to give away the duty), began seriously to tell upon the sugar industry of France. Therefore, there is no doubt that the French Government were perfectly logical when they said, If we are to have a Convention the time has now come, under the altered conditions of the trade, not to confine our arguments to refined sugar, although it is true we originally negotiated upon it; the time has now come, in presence of the altered conditions, to take those altered conditions of trade into consideration. You ask us to put our refiners, who are not subject to any trammels whatever, in bond; and at the same time you take the whole advantage of the Austrian raw sugar coming into your market at a depressed price, giving them increased facilities of purchase

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chase over our refiners." That argument was not sound, because the price of sugar finds its level, and the London market may be said to govern the other markets. I argued against it, because it was my duty to argue against it; I considered that they were bound to us in consequence of not having fulfilled the stipulations of 1864, in consequence of their having promised us that they were going to give us something better. The Austrian bounties were unquestionably excessive; they had a great effect upon the depreciation in the value of sugar, and they were producing a very serious effect upon sugar making, rents, agriculture, and so forth, in France; and the French delegates were perfectly in their right to ask that the negotiations should be extended to a branch of the trade which affected them so seriously.

4903. However, the Conference being a Conference to take into consideration the question of bounties upon refined sugar, you argued, and successfully argued, that the questions of raw sugar did not come properly under the consideration of the Conference?—Yes, I argued that, and I think I was right in arguing that, and I think Her Majesty's Government were justified in taking that view.

4904. All this time there was in existence in France a law, which had been postponed from time to time, for the establishment of refining in bond, was there not?—Yes.

4905. And that was a system which you advocated in the Conferences?—I advocated the system of refining in bond; but I was in favour of a much more simple system than that proposed by France; I was in favour of a system which consisted principally in watching the doors, and not interfering with the interior of the refinery.

4906. That is a system which, in your opinion, does not interfere with the profitable working of a refinery?—Quite so. That is the system which I have recommended, and which was recommended by the Dutch delegates.

4907. I gather then, that you believe that any further Conference which is called for the purpose of settling this matter, must be a Conference which shall take into its consideration, not only refined, but raw sugar; is that so?—Yes, that is my opinion.

4908. And you would, in consequence, advocate that all the sugar-producing countries, raw and refined, on the Continent, and elsewhere, should be asked to come into such a Conference?—Yes.

4909. And that refining in bond is the only sure method of doing away with the bounties?—It is the only known method at present.

4910. I gather also that in your opinion it is useless to expect any satisfactory conclusion, unless Great Britain is prepared to assent to a clause similar to Article XIX. in the Convention of 1864, that article to apply to raw as well as to refined sugar?—I think it is essential. If it be not irregular, I will read an extract from my Report, which is contained at page 9, of Parliamentary Paper, Commercial No. 17, of 1879, viz., "I would, therefore, offer the following suggestion, viz., that a communication should be addressed by Her Majesty's Government to the Governments of Austria, Belgium, France, Germany, Holland, Russia, and the United States, stating that the British sugar trade, and certain accessory industries in this country, have for some years past

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been subjected to serious injury by the unfair competition to which they have been exposed in consequence of bounties granted on the exportation of sugar from foreign countries; that Her Majesty's Government have at repeated international conferences unsuccessfully endeavoured to induce those countries which largely export refined sugar to enter into a Convention with this country upon the basis of refining in bond; the only system which, in the opinion of Her Majesty's Government, would prove efficacious for putting an end to the grant of bounties on exportation of sugar, that Her Majesty's Government would still desire that an International Convention should be entered into upon this basis, but that Her Majesty's Government, not wishing to cause embarrassment to foreign Governments by calling upon them to adopt a system of collecting the sugar duties which might involve great administrative changes, invite the several countries to enter into an International Convention upon the following alternative bases: (1.) That countries in which the Excise duty shall not exceed 19 francs for the 100 kilog." (but that figure is open to revision; other countries might think it too high) "on raw sugar, shall manufacture and refine sugar in bond, or adopt such other system of collecting their sugar duties as may be agreed upon" (that is, they might take the Belgian system, or any other system, than refining in bond, provided the duties are low); "(2.) That countries in which the Excise duties shall exceed 19 francs the 100 kilog. on raw sugar shall manufacture and refine in bond."

4911. So far, I understand that, whilst you would advocate that the basis for any convention in future should be refining in bond, you think that equivalents for refining in bond, properly safeguarded, might be accepted?—When the duties are very low.

4912. But you admit that the circumstances of some countries may be so peculiar as to render it desirable, with proper safeguards, to accept an equivalent for refining in bond?—I can only answer it with a proviso that the duties be very low.

4913. You think that is one of the essential elements?—Yes, that is a *sine quâ non*, I should say. But I went on to say that it would be no use making any such proposals as I made, unless Her Majesty's Government were prepared to adopt the view of the French Government, which was to reassert Article XIX. of 1864.

Mr. Alexander Brown.

4914. Where does that appear?—In the preceding paragraph: "I beg to suggest the following proposal for the consideration of Her Majesty's Government, but at the same time to state, that in my opinion it will be useless to take action thereon unless Her Majesty's Government are prepared at the same time to intimate to the foreign Powers that unless their proposals are accepted, Her Majesty's Government will consider themselves at liberty to take such steps as they may consider proper, independently of foreign Governments, to put an end to the unfair competition to which British commerce is subjected." That contains the idea, although not the words; my view was simply this: that the two Governments of Mr. Gladstone and Lord Beaconsfield have clearly adopted one

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view, which is that the British consumer is not entitled to the benefit which he now receives; and they have negotiated with a view of putting an end to bounties which would have the effect of depriving the consumer of that benefit. I think Her Majesty's Government have done very well to try to negotiate upon that basis, but the negotiations have reached such a point that I have arrived now at the conclusion which the Lords of the Treasury had arrived at in 1874. Their Lordships state that "they think the time has arrived when it is more suitable to the dignity of this country that they should withdraw from any more Conferences which appear uselessly to prolong discussion." Those were the words of the Lords of the Treasury in 1874. I had not made up my mind in 1874, but I have quite made up my mind now, having been at those Conferences.

Chairman.

4915. At what date, in 1874, was that?—On the 31st of July 1874, when the Convention was within one year of expiring, the Lords of the Treasury caused a letter to be addressed to the Foreign Office, in which their Lordships state that this country had loyally set to work to give effect to the Convention, but that the French Government, at whose instigation the Convention was entered into, had taken no steps to carry out its stipulations, and that the bounties in France, in consequence of the sugar duties having been increased, had been doubled." That was previously to the Conference of 1875. We had had supplementary Conferences in London to mitigate the evils of the Convention of 1864, and they were found to be useless.

4916. In fact, then, the result of the various conferences which were held since the date of that letter, seem to justify the opinion which was then expressed by the Lords of the Treasury?—Yes.

4917. And you have arrived at the same conclusion?—Yes. What has always appeared to me to be the case is this, that granting that the policy of the two Governments is sound, that bounties ought to be abolished, that policy ought to be carried into effect. Many people might, of course, contend that the best thing that we could do would be to instruct our Ambassador to ask them to double their bounties; but I am assuming that the policy of the present and late Governments is sound, that we should ask for the bounties to be stopped. I quite agree with that policy; I think fair and natural trade is better than artificial trade. Assuming that to be sound policy, then comes the question of rendering it efficacious, or otherwise. I understand your question to be what means exist for rendering that policy efficacious. I confess I see none in the altered state of affairs, because France demands, and I really think she must demand, and is in the right to demand, our assistance if she is going into negotiations at all. She cannot protect herself against the Austrian bounties, no matter how high her surtax may be, because, unless we assist France, the moment the Austrians put their sugar upon our market at a certain price, the price goes down to our level in Paris, because France is an exporting country, and she can only put her sugar on the London market at the same price as the Austrian bountified sugar.

4918. It has been asserted that the English

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refiner obtains a benefit over the French refiner, because the French refiner pays more for his raw sugar than the English refiner does; and, now I understand you to say, with reference to that, that France, being a country exporting raw sugar, the price in the London market practically regulates the price of raw sugar in France itself?—Yes.

4919. And, therefore, that it is not the case that the English refiner obtains any advantage over the French refiner by being able to purchase cheaper raw sugar?—I do not think he obtains any advantage, except in the varying rates of freight, and I do not know how that might work. But I think your question may be answered that practically he obtains no advantage.

4920. It has been again, in answer to that, asserted that those kinds of raw sugar which the French refiner uses, they being the kinds of sugar for which he obtains the largest bounty, are retained in France, and are not exported; and that, therefore, in comparing the prices of raw sugar here and raw sugar in Paris, you are not able to compare the prices of the same kinds of raw sugar; do you consider that a sound argument?—That is Mr. Say's argument, in answer to a Memorandum of mine; but Mr. Say forgot to state that if the refiner bought a sugar which gave an exceptionally large bounty at a premium he got that premium back again from the Government on his exporting it, and therefore the price is practically the same. The bounty regulates that discrepancy. If the bounty were abolished, and he refined in bond, he would never pay any more for one sugar than other; he would only pay according to the yield or saccharine richness.

4921. Supposing that all these elements have been taken into consideration, and that, looking to the fact of certain of sugar yielding a larger quantity of refined sugar than other classes, the bounty is calculated and calculated correctly; then there would have to be deducted from that bounty the slight premium which the refiner paid for those particular kinds of sugar, would there not?—I should not have put it in that way myself. I should say that the amount of bounty that he was going to obtain for a particular class of sugar might regulate the price that he was going to pay for that class; but that, as he was going to have the money returned to him, he would practically pay the lower price for it. If you and I were to go to a place of amusement, and you paid 6 s., and I paid 5 s., you would pay more than I should; but if, when we got in there, the shilling was put back into your pocket we should both pay the same. He had to pay more, but he got a bigger bounty.

4922. But he paid a little more for that better kind of sugar?—Yes, and he got a little more back.

4923. Then it comes to this: that the sugar grower, or the *fabricant* does obtain a small share of the higher bounty on that particular kind of sugar?—Yes; I think he would obtain a little more. I do not know that it is worth pursuing; for, of course, the sugar grower's case is, that he loses more on the whole transaction than he gains by some particular class of sugar which he is able to sell at a little premium.

4924. Is not the answer to that, that French sugar growers will naturally grow that kind of sugar which obtains the highest price, and that there

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there will be competition amongst themselves to sell the sugar to the refiner, and that so prices will find their level by the competition of the growers?—No doubt.

4925. I think you said that France had just cause of complaint with reference to our action in the matter?—That is not quite the way in which I should put it; I think I should say that France is justified in taking into account the altered conditions of trade; the conditions of trade being different in 1876 from what they were in 1864, France had, I think, a perfect right to take those conditions into consideration, and to ask that the Treaty should be drawn up in terms to meet the altered conditions of trade.

4926. And in any further conferences which ought to be held, France would no doubt insist upon that right again, would she not?—As I understand now, for the first time, the French refiners and the French manufacturers have agreed upon the terms of a treaty. I have a document here which has been forwarded to me by post, showing that an agreement has been come to between the French refiners and manufacturers, in which the refiners offer, for the first time, to go into bond; but then they insist, as a *sine quâ non* to that, that a surtax should be placed upon those countries which do not enter into the convention.

Mr. Courtney.

4927. How do you interpret the last clause of the conditions in the Paper handed in by Monsieur Fouquet; "*Les pays co-contractants s'engagent à frapper d'une taxe uniforme à l'entrée (taxe qui ne pourra jamais être remboursée) les sucres originaires ou venant des pays non-signataires de la convention où il existe un impôt sur le sucre*"?—I understand that the convention should include an article which shall fix a surtax upon sugars coming from countries which are not parties to the convention.

4928. "Where there is a duty upon sugar" are the words?—Of course, that is essential; because where there is no duty there can be no bounty.

4929. It does not appear to refer to bounty, does it?—They have not put the word "bounty" here. The idea seems to me to be included, but I should say that this article is carelessly drawn.

Chairman.

4930. Have you looked through all these articles?—No; I have never seen this paper before.

4931. If you will kindly go through these articles, I will ask you whether the indication conveyed to your mind by them is, not that efficient steps should be taken to prevent the continued existence of bounties, and that penal steps should be taken against countries that continued to give bounties?—The first article contains it all, I think; "*Le but à atteindre est la suppression de toutes les primes sur le sucre dans tous les pays.*"

Mr. Courtney.

4932. The first article contains everything relating to what you would call compensating duties?—The first article suppresses bounties.

4933. Then the last article must have some meaning and intention; I want to know what you conceive it to be?—That is the penal clause to countries giving bounties.

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4934. But I mean the one before that?—I think the word "bounties" ought to have appeared in the last article, to make it clear. I think the context shows clearly how the terms of the Treaty would be drawn up, but I agree that there is, perhaps, a word wanting to make it absolutely clear. I take it that the whole sense is expressed in the first line; that is an article for getting rid of bounties. In the case of Brazil, or Java, which sends out raw sugar, there is no plea whatever for their giving a bounty or a drawback; but then there are no duties in those countries. I do not know whether they might have meant it to apply to all countries having a duty.

4935. Inasmuch as everything that is essential to a countervailing duty is expressed before, might not that mean a strictly retaliatory duty?—No; I do not think it can mean that, on account of the first article; and it cannot mean that, coming from a Frenchman, for this reason: that all the French raw sugar is exported without bounty. They never could have intended to imply that French raw sugar, exported without bounty, should, under any circumstances, be subjected to a surtax.

4936. The point is this: supposing that you have a country outside the Convention which levies a duty upon sugar, does not that provision require the conventional Powers to levy a corresponding duty upon sugar coming from that country?—I think, if you argue upon that article as a special pleader might argue it, I should agree with you.

4937. Unfortunately, I was not here when the paper was put in, but that seems to me to be the plain meaning of it?—I do not think it is the plain meaning of it, for this reason: that that article contemplates an International Convention. That International Convention is to destroy bounties. Therefore the main object which the delegates would have before them would be to tax or obtain compensation from (I do not know what the proper word would be), or at all events, to punish those countries which gave bounties; and therefore, when the negotiators had to draw up an International Convention, they would certainly not lose sight of the only object of the Convention, which was to get rid of bounties, and I think that idea is implied in these words, "where a duty exists." But I am still quite prepared to agree with you that, taking it in its strict sense, word for word, that may be construed to say something more than was intended. On the other hand, we must take the context, that it is to be an International Convention to get rid of bounties, and, of course, if an International Convention to get rid of bounties dealt with countries which did not give any bounty, that International Convention would be going totally out of its province.

Chairman.

4938. You think that, in order to obtain a satisfactory Convention, it is necessary that, after agreeing to some system of abolishing bounties, a clause should be inserted in the Convention, directed against countries which still continued to pay bounties?—Yes.

4939. Without that clause you do not believe that it would be possible to obtain a Convention, and you believe that a clause of that kind would satisfy the French refiner?—I believe that it

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would satisfy the French refiners and the French sugar growers.

4940. That is as far as you feel inclined to go?—I believe it would be satisfactory to all the nations concerned, because they are competing with one another, and they would be very much obliged to the British Government if we settled the question for them and put an end to bounties; but they cannot do it, because they have each bounties, and they each feel, "If I abolish bounties my trade goes to the wall." For instance, in Holland, there is, I believe, one whole village engaged in the sugar industry and those connected with the sugar industry; if the Dutch were to abolish their bounty without obtaining guarantees from France, there would be a whole population thrown out of work tomorrow. I said to one of the Dutch delegates, "But you are paying away money," and they said, "We think it is the lesser evil of the two, we have done it for a good many years; we ought and are perfectly willing to give it up, but we must have guarantees from the other countries." I believe that is the only reason that blocks the way.

Mr. Eugene Collins.

4941. When you say that an arrangement of that kind would be satisfactory to all the countries, do you include in that Austria?—I was speaking of it then in the light in which a sound minister of finance would look upon it. The Austrian Government have recently taken very strong measures to stop these bounties. The Minister of Finance has even said, that he is now considering the question whether it will not be necessary to put them into bond as the only means of stopping them.

Chairman.

4942. Where does he say that?—I cannot give you the authority, but I know he has said it. I have read a great many papers, and I am sorry I cannot be more particular, but that is so. He is considering the question whether there is any other means than putting them into bond.

4943. That would indicate an advance, in his opinion, would it not?—Yes.

Lord Frederick Cavendish.

4944. Do you mean refining in bond or manufacturing in bond?—Manufacturing in bond for the sugar manufacturer, and refining in bond for the sugar refiner. My idea was this: that the only means of settling it, is that this country should settle it. This is the pivot upon which it all turns. These countries cannot help themselves, but we can help them out of the difficulty. We are the chief sugar market. If Austria places her sugar in this market at a certain price she affects the sugar all over the world. Therefore, any country that is willing, as Holland, and France, and Belgium are, to get rid of bounties, and assuming that Austria has found out that bounties are not sound, those countries would be very glad, I think, if we were to help them over the difficulty. They see no other way out of the difficulty, neither do I.

Chairman.

4945. Then, in point of fact, you put it very strongly that you think that, unless England consents to some such convention as that which you

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have named, she is practically preventing the abolition of the bounties?—It is the only means, I think, to the end.

4946. But that is what it comes to, in your opinion?—That is my view, certainly.

4947. Supposing that there were such a convention agreed to with a clause such as you speak of, and that the surtax had to be put in force, would you see any difficulty in imposing that surtax in this country?—No, there would be no difficulty here.

4948. You, I believe, from your position in the Customs, are prepared to speak as to that?—There would be no difficulty in collecting that duty, more than any other duty. No fixed rate of duty is difficult of collection. We had a difficulty in collecting sugar duties, because the assessment varied according to quality.

4949. Supposing that you had different duties on sugars coming from different countries, for instance, supposing that you had a different duty upon sugar of Austrian origin from what you had on sugar of German origin, how would you meet the difficulty of Austrian sugar coming through Germany for shipment?—I should meet it in the same way as we meet the spirit question. In the first place, that is a question for the International Convention to consider; a uniform rate would, no doubt, be arrived at, although the bounties might vary slightly. I have never attached much importance to that, because I considered that if Her Majesty's Government would say, "We have pursued the right policy, and now we are going to make that policy efficacious," the whole thing is practically over, and 24 hours would settle the whole sugar question. We have seen the folly with regard to protectionist duties, but foreign Governments have maintained them in order to stimulate their industries; but we have yet to find the Minister of State who will maintain a bounty for the relief of the British taxpayer. Now, he stimulates his own trade, but, if once he transferred the amount into the pocket of the British taxpayer, the *raison d'être* is gone. Such a man does not exist, I think.

4950. You mean to say that the mere fact of putting in a countervailing duty clause, such as you have spoken of, would at once draw all the sugar-producing countries into a convention?—I think this is quite sufficient, as I have said here. I do not want to threaten a countervailing duty. If these countries are willing to accept Her Majesty's Government's offer of an alternative scheme, any convenient system, with low duties or refining in bond with high duties, well and good; but if they are not, "Her Majesty's Government will consider themselves at liberty to take such steps as they may consider proper, independently of foreign Governments, to put an end to the unfair competition to which British commerce is subjected." My view is that the policy should be efficacious.

Mr. Eugene Collins.

4951. But does not the unreasonable minister to whom you have referred, exist at present in Austria?—Not at all. He is only faulty in his economic principles to the extent of paying away money to stimulate an indigenous trade. That is an old fallacy which has existed almost ever since the world existed; but no man has yet been found to pay away a bounty to the relief of a foreign taxpayer without stimulating his own trade.

4952. What

Chairman.

4952. What you mean to say is, that, if arrangements were made here by which the bounty was collected by means of a countervailing duty, the reason for giving that bounty by the Austrian Government would cease, because the only effect of giving the bounty would be its collection at our ports, and its distribution amongst the taxpayers of this country?—Exactly.

4953. At present of course the bounty which is given in Austria is obtained by the sugar manufacturers, and therefore it stimulates the trade?—Yes.

4954. But the moment the bounty was collected here by a tax, it would cease to stimulate the Austrian trade?—Yes; we should intercept it. I say that a Minister of State is yet to be found who would do such a thing. Now he pays away money out of the Treasury, but he pays it away under the mistaken principle that it is a good thing to stimulate a trade by Government money, which principle we have abandoned long ago, although it is a theory held still by the majority of foreign statesmen.

4955. Is it your deliberate opinion that, in the event of this kind of convention that you refer to being adopted, it would cease to be necessary to put on this countervailing duty?—I do not think it would be necessary.

4956. But, if the necessity arose, you, as a high official of the Customs, do not see any difficulty in imposing it?—Not the slightest difficulty. We never had any difficulty with fixed duties.

4957. Did any question arise at any of the conferences on this point?—A question was raised by the Frenchmen as to whether, in the case of Austrian sugar going through Belgium, the origin could be identified; but that was settled at once by the Belgian delegates, who said that there would be no difficulty whatever.

4958. I put a question to you just now as to Austrian sugar coming through Germany; that was very much the same case as that which you have just spoken of?—Yes.

4959. And the Belgian delegates said that no difficulty would arise?—Yes.

4960. There are, as a matter of fact, differential duties now in existence in France, on sugar, are there not?—Yes, there are surtaxes of two francs from Belgium, three francs some centimes from Austria, and a *surtaxe d'entrepôt*; that is on sugar first deposited in our warehouses. That surtax we should get rid of in an International Treaty, and that would be the great advantage, because our West Indian sugars, which now come into our docks, going into France, are subject to a *surtaxe d'entrepôt*. That was provided for in the last Treaty.

4961. We ourselves have had some experience of differential duties on goods going into France, have we not, under the Treaty of 1860?—We have had some experience of differential duties. They gave us favourable conditions.

4962. Are you aware of any difficulties having arisen with reference to English goods going into France?—No difficulties have arisen to the question of origin. Of course difficulties arose as to the assessment of *ad valorem* duties, which always will exist everywhere.

4963. If the system by which Austrian bounty-freel raw sugar is able to come in here untrammelled, whilst there is no bounty upon the

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French raw sugar continues, do you believe that any question is likely to arise from French sugar not being placed upon the same level as the Austrian sugar is?—I am not prepared to say. I think myself they have a cause of complaint.

4964. Do you believe that that question would be likely to arise in any fresh treaty that might be made with France?—What I think is this: that if we were to provide for the great sugar industry of France, if we were to assist the French Government (and after all they are only asking us to do for their industry what we have asked them to do for our refiners), I think it would help any commercial negotiations with France on account of the most favoured nation clause. At present the great sugar industry of France is suffering at the hands of Austria in our ports, in consequence of the Austrian bounties; that is to say, all sugar being free of duty here, the Austrians, giving a bounty, undersell the French produce; and the French *fabricants* now complain very bitterly of their position in consequence. I think that if we assisted the French in the matter of their great sugar industry, it would at all events be conciliating them, and would assist our delegates in any future negotiations for revising the Commercial Treaty of 1860. I should think they would be very much pleased with it; at all events, they could not fail to recognise that a great service had been rendered to them.

Mr. Morley.

4965. How could we help them?—By surtaxing; by falling into their views. They offer to stop the bounty on refined sugar, if we will assist them in stopping the bounty on raw sugar. They say that their raw sugar manufacturers have the same reason to complain of the Austrian bounty, as our refiners have to complain of the French bounty; and they say, "We will help you over your difficulty with our refiners, if you will help us over our difficulty with our indigenous producers;" and they are quite right, if we are to make a treaty.

Mr. Eugene Collins.

4966. Do you think we ought to go out of our way to conciliate the French growers, if by doing so we do an injury to the trade, and to the consumers of our own country?—I do not see how we could by doing so injure our trade.

4967. Do you think that we ought to go out of our way to conciliate them?—I say that that would have the effect of conciliating them. I am assuming that the policy of the two Governments is correct; I have assumed that all along.

Chairman.

4968. What policy do you mean?—Trying to stop the bounties. Are you asking me to defend the policy?

Mr. Eugene Collins.

4969. I ask you a simple question, and I will repeat it; you seem to dwell upon the importance of conciliating the French growers or *fabricants*; do you think we ought to go out of our way for the purpose of conciliating them in view of the fact that, for the purpose of doing so we must tax the consumers of this country by imposing a countervailing duty, which evidently will

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will have the effect of raising the price of sugar against the consumers?—I think so.

4970. You think we ought to conciliate them?—I am bound to think so. I cannot defend our asking the French Government to assist us in getting rid of the bounty for our refiners if we are not willing to assist them in getting rid of the bounty for their raw sugar consumers. I have been a negotiator instructed by Her Majesty's Government to obtain the abolition of bounties, and I am bound to think so.

4971. But why should we conciliate them?—I only say that as this is the age of commercial treaties, I think it would assist us in any other negotiations; that is all; I do not say that we should do it entirely on that account.

Chairman.

4972. I understand the whole length of your observation to go to this extent, that if, by removing a legitimate grievance of France, we can obtain more favourable commercial treaty terms with her, it is our interest to remove that grievance?—That is my view, certainly.

4973. I think, in referring to the amount of the surtax, you speak as if you think that is a matter which ought to be arranged internationally?—Yes, I do not think that you could ever fix a surtax right to a minim, or to a penny. But, if you look at the surtax upon spirits, we have adopted 5*d.*; 5*d.* can be very well defended, but at the same time we know perfectly well that it is not at all exact with reference to different classes of spirits.

4974. The amount of that countervailing duty was ultimately fixed at 5*d.*?—Yes.

4975. Why was there a countervailing duty put on at all?—The countervailing duty was put on to meet Excise restriction. I made a special report upon that, which I have here, but the matter is very complicated.

4976. Was it not acknowledged that, in consequence of the colouring matter in French spirits, the differential duty ought to be 10*d.*?—I may put it in this way. The Customs regulations admit French brandy, which is a coloured spirit, if the obscuration does not exceed 5 per cent. I must explain that spirits are assessed by an instrument called the hydrometer. If the hydrometer is put into a glass of plain, that is uncoloured spirit, and into a glass of brandy by the side of it, it will give a different indication of strength, that is to say, it will not sink so much into the one as into the other, because the colouring matter, which is often saccharine matter, is more dense than spirit, and has an effect upon the hydrometer. When the observation does not exceed 5 per cent. it is passed without any question by the Customs, they are allowed 5 per cent. Of course if you introduce spirit with an obscuration to the amount of 5 per cent., you do not get your duty at all upon that 5 per cent., and you would get duty on 5 per cent. more if you had plain spirit. All brandies are not obscured to that extent; we do not question them if they do not exceed that; but it does not follow that they all come in at that obscuration; but, supposing that full advantage was taken of the Customs regulations, then the proper surtax would be 10*d.* On the other hand, upon German plain spirits the proper surtax should be 3*d.*, because there is no obscuration at all; 2*d.* of the 5*d.* is entirely on account of obscuration. Yet we have German plain spirit

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with no obscuration at all. But I only introduce that to show that there are little differences, and they arrive at 5*d.* as a uniform rate; and, practically, no injustice is done, because all French brandies do not come in at the full obscuration, although many of them do, and German spirits are found to be able to compete perfectly well with British spirits with the 5*d.* I think that difficulty of the amount of the surtax should be got over by a Conference; it is a matter of detail upon which we could agree.

4977. You give these illustrations to show that it has been found more convenient to strike an average for the plain spirits, and for the coloured spirits, rather than go to the inconvenience of assessing the one at 3*d.*, and the other at 10*d.*?—No doubt the advantage of a uniform duty is a reason that it has been kept; the German Government complain most bitterly of it, and the answer has been that it is not considered expedient to alter it. I believe that, practically, no injury is done to anybody by the 5*d.*

4978. Something has been said as to whether a countervailing duty would not be contrary to our established policy; and, in a Memorandum, with which we have been favoured from the Foreign Office, it is stated that it cannot be doubted that, if the Government were to act upon this doctrine in the present case, it would soon be compelled to do so in other cases also; are you aware of any other industry, except that of sugar, which comes into this country with a bounty?—No; I am not aware of any other article which obtains a bounty.

4979. Therefore, so far as that sentence is concerned, it must have been written under some misconception, in your opinion?—It is put hypothetically, that if we did so, and so we might be called upon to do so and so.

4980. But, if there are no other articles which come into this country with a bounty, it is not the case that we should be called upon to adopt the same principle with regard to other articles?—I think the Treasury put it hypothetically. Of course, I cannot say, that no difficulty would arise, but I think I am correct in stating that, at present, no difficulty would arise.

4981. Would it, in your opinion, be contrary to the established principles of free trade?—No, it is certainly in accordance with the principles of free trade. Differential duties are in antagonism to free trade. A countervailing duty never can arise, except you first establish a differential duty. As I understand a differential duty is a duty which strikes the produce of one country to the detriment of a third country. A countervailing duty is always imposed with a view of restoring equal competition; that is to say, an artificial impetus being given to a trade, the countervailing duty is the corrective. I do not suppose that anybody could maintain that a countervailing duty was against the economic principle of free trade.

4982. It has been implied that it might possibly be against free trade, but in that you do not agree?—I cannot see how it can be against free trade if it is the corrective to differential duties, which I take it to be. On the contrary, our Excise countervailing duties are certainly not against free trade. We have three articles of consumption in this country which are subjected to a countervailing duty, viz., chicory, malt, and spirits.

4983. And

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4983. And tobacco?—The duty on tobacco is not a countervailing duty; it is a duty on the different kinds of tobacco; it is an equalisation of the duties on the raw and manufactured article.

4984. Is there any other information which you would like to put before the Committee upon this subject?—I should like to make one or two observations in regard to a point upon which I think some misapprehension exists, viz., the economic principle of countervailing duties. I have always found, that in discussing this matter in the public papers and so forth, rather a narrow view has been taken of the whole question, my sympathies being strongly with the refiners and with the West Indian producers. The exception which I take is this: that the consumer has always been brought in as paramount in the question. I do not quite agree with that for this reason, that people who argue in that way always drive the argument to an extreme. They say, "If people will give you something for nothing, why should you not take it?" I quite agree with Frederick Bastiat, for instance, who argued that nature having provided us with air and water free, it would be absurd to legislate upon it, and to shut off the supplies; but a great misconception exists with regard to a bounty, which I think ought to be removed, and if I can assist in removing it, I shall be very glad. A bounty differs essentially from a protective duty; I think every country has a right to prohibit the importation of goods into that country, and to say, "You shall not import your goods, or we will protect to such an extent as to prohibit your goods;" but I think it is utterly fallacious to say, that it shall be in the power of any foreign Government to dictate to this country, and say, "You shall, or shall not conduct such a trade within your own dominions; the existence of a useful industry shall depend entirely upon us." I do not think any economic principle can support the view that any foreign Government has a right to say that. Then they say, "Because you give a bounty, the consumer benefits." So he does to a certain extent, but the consumer's benefit is very small. By giving this power into the hands of foreign Governments, you do this: Here is a highly useful industry which absolutely demands a vast outlay of capital; the erection of a refinery costs 100,000*l.* or 150,000*l.*; plant has to be supplied, and skilled artisans have to be engaged, and from one day to another; the whole of the business may be put an end to at the dictation or caprice of a foreign Minister of State. It is true that the moment they withdrew the bounty, the industry may come into operation again. But I ask, is it a sound principle of trade that the whole of the refining industry should depend upon that, and that one moment it may exist, and at another, it may be destroyed? That cannot be a sound principle of trade.

4985. If the same principle were applied to all our manufactures, as is now applied to the sugar industry, it would end in the destruction of all our manufactures, would it not?—I look upon that as impossible; but my point is, that I do not think it is good policy to admit as a principle, that any foreign Government has the right to dictate to us whether we shall or shall not manufacture in our own country. Practically, what the French Government is doing is simply this: Supposing that the French refiners were 0.104.

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to come over here, one with a pickaxe and the other with his pocket full of sixpences, and that one knocks down Mr. Gladesden's refinery, while the other distributes sixpences to the passers by, a great many people would pick up the sixpences, and the refinery would be lost. I do not think that would be justifiable. That is really the effect of the French bounty; each consumer gets a few lumps of sugar for nothing, and our sugar trade is destroyed.

4986. But do you think it is likely to be to the ultimate benefit even of the consumer?—I cannot tell. Of course, on economic principles, it ought not to be, because when you dry up the sources of production, you limit the source of supply, and if you limit the source of supply you enhance the price. When that will come about of course I cannot say.

4987. What do you believe is the effect of any article being sold below its natural price of production; is it not the drawing of capital out of that particular trade?—It must dry up the source of supply.

4988. You said that you did not think the same system could be applied to our other manufactures?—I did not say to any other manufacture; it would be difficult to apply it to all, the burden upon the Treasury of the foreign country might be too great.

4989. I did not mean to imply that it would be done by one country to all our manufactures; but, for instance, if America were to apply the same system to the cotton manufacture, what would be the effect upon our cotton industry here?—If they sold cotton under cost price, of course it would annihilate our cotton industry.

4990. With reference to the word "duty" in that Memorandum which you have seen from France, it may possibly be explained in this way, may it not, that where there are duties without refining in bond, or a corresponding measure, there must be a bounty?—Yes, certainly, there must be, if there is a drawback.

4991. I am assuming that there is a drawback; therefore it seems probable that the word "duty" is used in that sense, does it not?—I think it must be used in that sense from the context. At all events, if it was not used in that sense, I should be the first to reject it entirely. If there was an element of protection contained in it, if it does not mean to strike bounty-fed sugars, and them only, I think it ought to be rejected at once, without further discussion.

Mr. Alexander Brown.

4992. In the beginning of your evidence you stated, I think, that the reason of the failure of the Conference of 1875, was practically a want of confidence between the various nations?—I did.

4993. And that that led to suspicions and jealousies which prevented the ratification of the Conference by the Dutch Chamber?—Yes. I qualified, or intended to qualify, that observation by stating that the bases of the Convention were not uniform, and that the terms in which the Convention was framed would justify such mistrust.

4994. One want of uniformity being the condition of Belgium?—Exactly.

4995. And also the difference of refining in bond between Holland and France?—Yes.

4996. If we were to go into a Convention and establish

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establish refining in bond, why do you think the mutual jealousy would be entirely removed, because the system of refining in bond, as you have just admitted, is different in France from what it is in Holland, and also the system of Belgium is different from that of either country?—I will read again from my Report: "British delegates at International Conferences, although ostensibly sent as negotiators, are practically only suppliants at foreign courts; a position which much increases their labours, and which is calculated to render them ineffectual." But as soon as it is determined that their labours shall not be ineffectual, I am quite prepared to say that a treaty would be agreed to without any jealousy existing between any countries.

4997. Would not difficulties of this sort arise; that the amount of bounty which might be given by some countries which did not refine in bond, might always be a subject of dispute and difficulty as to the amount of compulsory duty which other countries imposed?—I think there is a little difficulty there; but I do not see any practical difficulty.

4998. I assume that, for some reason or other, some countries will not agree to refining in bond; we will say, for instance, Belgium and America; that being so, a countervailing duty would, according to your proposal, be enforced against them?—Yes.

4999. Do you not think that the bounty might go on, and that the amount of the duty to compensate that bounty would always be a subject of difficulty between the various countries?—There is no doubt that there might be a little difficulty in adjusting any surtax.

5000. There would be a difficulty with regard to countries first of all who were in the Convention, but who were by the terms of the Convention allowed an exceptional position?—They would have no countervailing duty if they were once admitted into the Convention. They would have given sufficient guarantees. They would not become parties to a Convention which subjected them to the penalty.

5001. But there might be other countries which would not agree to a Convention, and in those cases the amount of the countervailing duty to be put on against them would always be a subject of some difficulty, would it not?—It might be difficult. We might suppose an extreme case where one country gave a very large bounty, and another a very small bounty. It is a difficulty which could very easily be met, but it would be more desirable to levy a uniform duty. But I think that, if the Government determined to make their policy efficacious, the only proper plan would be to put on a sufficient countervailing duty to cover it. There is no obligation to export with drawback at all; France, which has a very large sugar industry, does not export an ounce of raw sugar with drawback. If one country gave a bounty of 100 *l.* per ton, and another country gave a bounty of 1 *s.* per ton, I admit that you could not put on a uniform countervailing duty with such differences as these.

5002. Do you think the same difficulty would not arise also as between the various classes of sugar, some of which receive a higher bounty than others?—No, I think the duty would always be on refined sugar. Sugars are now so well understood that I think we could arrange that

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in a conference. If any countries did not agree to it we must taboo them; we must take steps as in Article XIX of the Convention of 1864, that is to say, we should have to confer again as to each particular country with which the difficulty arose.

5003. That is to say, if a country did not agree to a Convention, the other countries who had agreed to a Convention would turn round and say, "We will treat you like a naughty boy, and put on a countervailing duty against you"?—Exactly; we should have to arrange it like our countervailing spirit duty; it would not meet every case exactly, but I think it would meet it fairly.

5004. Your proposal is to put on a fixed sum which would represent, roughly, the amount of the bounty?—Yes, I would do as the French do now in the case of Belgium sugar and Austrian sugar. They have assessed it and found out the figure.

5005. Would not such a tax have the appearance of being a retaliatory tax; you say to these people, "Join a conference"; they decline; then you say, "Very well, we will put on a duty against you"; has not that the appearance of retaliation?—I do not consider it in the slightest degree retaliation. To put Austrian sugar upon the same terms as French sugar would not be retaliating upon Austria; it would be equalising the conditions of trade between the two countries.

5006. Supposing that Austria says, "For our purposes we cannot refine in bond, and we decline to do so"; according to your plan you would immediately have to put on a countervailing duty against Austrian raw sugar; do you not think that Austria would immediately have a ground for objecting, most strongly, and saying that this was a retaliatory tax?—She might call it what she liked, but it would certainly not be a retaliatory tax. I think there is a very great distinction between the two. I would put it in this way: supposing that a man were to hit me over the head, and I were to hit him back again, I should say that that was retaliating; but if I only bound him over to keep the peace that would not be retaliating. There is no confusion, in my mind, between a retaliatory duty and an equalising duty.

5007. Would not Austria have a right to say to us, they having a favoured nation clause with us, "Let in Austrian sugar upon the same terms as you let in French sugar"?—Not the slightest, because the favoured nation clause stipulates that every country that enters into the Treaty should have the same immunities. Austria would be in exactly the same position as France, and she would have a right to claim the same immunities for her sugar. A country can no more claim compensation for a wrong done by itself than we can, in law, claim compensation for a wrong done by ourselves. We would give France and other countries an immunity under certain conditions.

Mr. *Courtney*.

5008. Will you read the favoured nation clause?—"The contracting parties agree that every reduction in their tariffs of import or export duties, and every privilege, favour, or immunity which either contracting party may hereafter grant to the subjects and commerce of
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a third Power shall be extended immediately and unconditionally to the other contracting party with a reserve" (but the reserve does not apply), "however, of the exceptions enumerated in Article II., *a* and *b*." That refers to the Zollverein.

Mr. Alexander Brown.

5009. That is from the Austrian Treaty?—Yes.

5010. Are all the other treaties the same?—I have not compared them.

5011. Under Article VII. of the Austrian Treaty, do you not think Austria would have the right to demand to have her raw sugar treated upon the same terms of import to this country or France?—Certainly.

5012. That is to say, that Austrian sugar should come in at the same same duties as French sugar?—On the same terms.

5013. At the same duties?—No, that would not be the same terms.

5014. If we charged no tax upon French raw sugar, would not Austria have a right to object?—That article obliges us to see that the sugars of the two countries are put upon our markets under the same circumstances without favour. If they chose to export their sugars under the same conditions as France, they will have the same privileges and immunities as France has. For example, wine coming from France pays a duty of 1*s.* and wine of a higher strength exported under other conditions pays another duty. The Portuguese and Spaniards have always maintained that we were charging a differential duty upon their wines. We have combatted it; it is not true; we are not charging a differential duty upon their wines. One is a strong wine, and one is a weak wine, and there is a different duty. The law officers of the Crown are the only people, I suppose, who can give an opinion upon that point. I think our tariff would be justified if it was worded in this way: "Sugar exported without drawback, free; sugar exported with drawback, so much."

5015. You think, also, that Austria would have no right to raise any cavil or question upon this matter?—I do not think she would have any right to do so.

5016. Do you think she would do so?—I cannot say.

5017. Do you think that they would, on that ground, be inclined to repudiate the treaty, and say that we have infringed the favoured nation clause?—My real view is, from the steps which they are taking in Austria, that they would be very much obliged to us if we settled the whole question.

5018. Was there any discussion at the conference upon the point of countervailing duties conflicting with the most favoured nations clause?—I think there was some little discussion at one of the conferences; but the instructions issued by Her Majesty's Government in regard to the surtax were so explicit, that we never fought it out to any satisfactory end.

5019. Practically, a Convention upon those terms with a proposal to tax the sugar of some countries higher than the sugars of some other countries, would never stand the test of the favoured nation clause, would it?—It was proposed by the French Government, who have

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these favoured nation clauses; they did not see any difficulty in it, I presume.

5020. You also mentioned the consumers' argument; the bounty, practically, is equal to a lowering of price of 2*l.* per ton in this country of all Austrian sugar, and indeed, of sugar from other countries, is it not?—I cannot say exactly what it would be, unless I calculated it; it is a very difficult calculation, because we never know how much they keep, and how much they put upon our market; it would depend upon the supply of sugar, and upon the competition, how much they were obliged to lower the price.

5021. Whatever that amount is, it would be that amount on the import on sugar?—Yes.

5022. What are the imports?—If we take Germany, they are 2,436,000 cwts., that is to say, 121,800 tons.

5023. Whatever the amount is, assuming it to be 2*l.* per ton, it would be 240,000 *l.* upon German sugars alone, would it not?—The proportion of bounty received is no guide to the proportion of bounty that finds its way over here.

5024. But I suppose that the argument is, that sugars are depressed by the effect of the bounty to the extent of 2*l.* per ton?—If it was sold at 2*l.* per ton under the cost of production it would be; but I cannot conceive its being sold more than 1*s.* under the cost of production; I do not see the object. Why should people throw 1*l.* 19*s.* after the shilling?

5025. We are going to countervail the bounty, and the bounty is stated to be 2*l.* per ton; that bounty finds its way somehow to the producers; they get the benefit of it somehow; therefore, to countervail the bounty by the amount of the duty, we should have to put on a duty of 2*l.* per ton; that would raise the amount paid for sugar from Germany by 240,000 *l.*, would it not?—Yes, but I do not think that would be the right way of putting it. You mean that we should have to put a surtax of 2*l.* per ton; but it would not follow that, therefore, we are now getting 2*l.* per ton; that is quite another thing. We are now only getting the farthing, or the sixpence, or whatever it may be, below cost price; but as they get 2*l.* per ton, it would be open to them to go on throwing the whole of their bounty on to this market; it would correct itself; they cannot give away all they get, or they would remain with nothing at all.

5026. Any how, this small question of a countervailing duty upon the Austrian sugar is a question of at least 240,000 *l.*, and perhaps more?—It would not be at all necessary to countervail to that extent at once. Potentially, it might come to that, if we can conceive their sacrificing the whole of their bounty and getting nothing. If you can imagine Austria carrying on their whole sugar industry with no advantage to themselves, but merely for the sake of sending it over here, that would be the result.

5027. That is the sum which you think would tend to redress the present inequality, and, therefore, that is the sum which would have to be put on, in the opinion of the other witnesses, to countervail the bounty. Therefore the cost to the consumer in this country would be at least 240,000 *l.*, would it not?—If we are now getting 121,000 tons from Austria.

5028. The same thing would apply to all sugar which comes from other countries, would it not?—Yes.

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5029. Would

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5029. Would it be unfair to say that the amount from other countries, putting it roundly, is cheapened to the extent of at least 600,000 £.? —I should say not, because, looking down the list, I do not see any bounty-fed raw sugar except from Russia, from which in 1878 we got nothing. From Germany, that is from Germany and Austria together, we get 2,436,000 cwt. From Holland we got very little. From Belgium we got 496,000 cwt; there is a little bounty there. From France there is no bounty; from Egypt there is no bounty; from Java there is no bounty; from Siam there is no bounty. From the United States we got 4,000 cwt.; there is no bounty in Spain, France, Denmark, Holland, Mexico, Peru, Chili, and Brazil. In fact, when you have taken Germany and Belgium you have pretty well exhausted the bounty-fed raw sugar.

5030. But the bounty-fed raw sugar lowers the price in all the countries you have named, does it not?—Yes.

5031. Therefore, would it be unfair to say that this question would involve at least 800,000 £.? —I have not made the calculation, and it is rather a complex calculation to make. There is no doubt that it would come to something. The consumer is now a gainer, no doubt.

Mr. Courtney.

5032. You have spoken of the policy of present and past Governments in this matter; what do you understand that policy to be?—To stop the exportation of sugars with bounties.

5033. On what ground?—Because they have negotiated with that object.

5034. I do not mean the ground of your opinion that that is their policy; but what is the ground upon which they have adopted that policy?—They have done it at the instigation of the trade in this country.

5035. That does not exhaust the whole of the policy which they have pursued, does it?—I am not aware what their policy is except to stop the exportation of sugar with bounties.

5036. You were saying that in the conference at which you assisted last, the question of a surtax was not discussed because the orders from home were so decisive against it?—Yes.

5037. That, therefore, was a part of their policy?—That was a part of the policy of the present Government, but not of the late Government, because we had an article in the treaty of 1854 contemplating a surtax.

5038. Had that article been introduced after reference to the Government in 1864?—I do not know. It was signed by the British delegates without any question being raised about it.

5039. That was under Lord Palmerston, of course?—Mr. Gladstone was Chancellor of the Exchequer at the time.

5040. However, the present Government, if not the last, made it a part of their policy to refuse to entertain the suggestion of a surtax?—They did at the last Conference.

5041. You are, therefore, wanting to change their policy?—I do not want to change their policy.

5042. To develop it or to amplify it?—Not at all.

5043. I thought you advocated a surtax?—I say that, assuming the policy of doing away with

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bounty to be a correct one, I think that policy ought to be an efficacious one.

5044. And you not merely assumed the policy to be correct, but you gave an opinion that it was correct?—Yes, that is my own opinion.

5045. You wished to develop it by adding to the efforts which have been made, and you proposed the adoption of the principle of a surtax?—Yes.

5046. Then you do wish to amplify the policy of the Government?—That is putting it in a way which I do not think quite admits of a direct answer. The policy of the Government I do not wish to amplify; but the means of bringing that policy into operation, I think, ought to be changed now after having exhausted negotiations. Their policy I take it, is decisive to abolish bounties; I think there can be no question about that; but the question is, as to the means of carrying out that policy. I think they have been quite right hitherto; but the negotiations having failed, and believing the policy to be sound, I think other means must be adopted.

5047. Their policy was to abolish bounties; and the means to that end which they refused to adopt, you urge upon them?—I now tell them that, in my opinion, it is impossible to remedy it without those means being adopted.

5048. I should rather say that, if you were going to state their policy, you must go further down than the mere statement that they wish to abolish bounties; why do they wish to abolish bounties?—I do not know.

5049. Why do you approve of their wish to abolish bounty?—I am a free trader, and I disapprove of all disarrangement of the natural course of trade.

5050. Under all circumstances?—Yes; I think it is always bad.

5051. I think you admit that the disarrangement, temporarily at least, operates to the advantage of the British nation?—No, I do not. It operates to the advantage of sugar eaters, but not to the advantage of the British nation.

5052. You do not think it operates temporarily to the advantage of the British nation that one of their wants should be supplied at a less price than it would be?—If you put it in that way, of course it is quite true that if you obtain something cheaper for the moment, you may be a gainer for the moment.

5053. You admit that it is a temporary advantage to the British nation?—No, I do not. The whole nation does not eat sugar. I do not.

5054. You do not know whether you eat sugar or not, I suppose?—I do not eat it if I know it.

5055. Do you think it forms no part of your food?—It may, but I never take any if I know it.

5056. But you do not contest the principle, as I understand, that supplying a given want of a nation at less cost than it was formerly supplied at, is for the time being, at all events, for the benefit of the nation?—It is an advantage to those people who benefit by it, no doubt.

5057. Supposing even that it is only a small class who are consumers, do you mean to say that it is not a benefit to the nation that the wants of a class are made less costly?—Yes, if it has no corresponding drawback; but if it is to be accompanied by other disasters, I do not know whether in the balance, it would be a benefit. If it was permanent it would be a different thing, but

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but if it is only temporary, I do not know that the nation would benefit by the shutting up of refineries and sending skilled artisans about their business, and making them learn other businesses; other considerations must also be taken into account.

5058. I will put it in the narrowest and most absolute way. The wants of a particular class which are supplied by the labour of another class, are, for the time being, supplied in a less costly fashion; is not that so?—Yes, that is true.

5059. Is that, or is it not, a benefit to the nation?—I can only answer in the way I do. I may appear to be fencing with the question, but I do not mean to do so. It is a benefit to those people who derive benefit from it; but the sugar eaters are not included in the whole nation.

5060. The sugar eaters get their wants supplied in a less costly fashion, do they not?—Yes.

5061. Then they have something left in their pockets which otherwise they would be expending in getting their wants supplied?—Yes.

5062. Would not that be a benefit to the other part of the nation?—It might be.

5063. You referred to Bastiat in your evidence; is it not one of his elementary principles (and I should have thought almost self-evident) that diminishing the labour necessary to keep any part of the community in existence, diminishes the labour which supports the whole community?—Yes, that is true.

5064. Then, temporarily at least, a reduction in the price of sugar is a benefit to the whole nation?—It might be individually in that way; but you have to except those classes who are directly injured by it. The whole nation comprises rather too much.

5065. It comprises those who supply as well as those who consume; but it is a benefit to get rid of labour, even although those who supply the labour are temporarily injured. Then temporarily, at all events, the thing is a benefit?—Yes.

5066. Then it should be welcomed, unless there were some prospect of its coming to an end?—Yes.

5067. That end, you fear, in this case, is the drying up of a source of supply?—Yes.

5068. Have you any evidence to show that any sources of supply are being dried up?—That is not my principal objection to it.

5069. What is your principal objection?—My objection to it is, that a large amount of capital may at any moment be lost by the action of a foreign Government. I do not say that we shall ever dry up the source of supply; but I say that it is not sound economic policy to expose any trade, so that it should only exist subject to the caprice of any foreign Government; in my view that principle is worth more than all the consumers put together.

5070. Of course a reduction in the cost of production of a commodity affects those who have been engaged in producing it, and it reduces some capital to a condition of uselessness?—If you put sugar under the same conditions as air and water, I do not think there is any occasion to legislate about it.

5071. But you would render totally useless all the capital that had been locked up in an unconvertible form in sugar refineries, if you could make sugar like air and water?—Yes,

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we should depend then upon nature, and not upon the caprice of a foreign Government.

5072. That we return to the position, that temporarily this thing is a benefit, and the only anxiety that it should excite in us is as to whether it is, or is not, likely to be continued?—No, I beg your pardon. My objection is principally to the fact, that our industry is existing at the caprice of a foreign Government; that is the *status quo*. I do not dive into the future. I say that as an economic principle, it is wrong to dry up a source of production; but my major consideration is that I do not think it is a proper state of things in this country that the existence of a great industry should depend upon the caprice of foreign Ministers of State.

5073. Does not the word "caprice," involve the notion of future action?—That caprice is constant. He may revive our refiners or annihilate them at his pleasure. A Government which allows that does not fully carry out my idea of all the functions of a Government. For instance, in this statement that the Government have put forward, which has been read, they say, "If the doctrine was still maintained, that the Government should adopt fiscal measures for other than fiscal objects, and should attempt to make such measures an engine for assisting British manufacturers to compete on what may be considered equal terms with their foreign rivals, the present case might undoubtedly be considered a very proper one for the application of such a principle. But it cannot be doubted that, if the Government were to act on this doctrine in the present case, it would soon be called upon to do so in other cases also. Their Lordships are of opinion that the Government ought not to countenance such a step, unless it is prepared to review the whole code of the commercial legislation of this country." Upon which I observe "that, although if a countervailing duty were imposed in the case of sugar, Her Majesty's Government would, no doubt, be called upon to adopt a similar course in the event of foreign Governments granting bounties on other articles, it may be a question for consideration whether a code of commercial policy which is based upon free trade principles, might not with advantage be applied in such a manner as not under any circumstances to preclude British industry from its benefits. I take leave further to state that the object of the commercial policy of this country was to enable the foreign producer to compete on equal terms with the British producer in the British market for the benefit of the consumer in this country; but that it was never intended that its effect should be to debar the British producer from competing on equal terms with the foreigner even in the home market." With reference to the statement of their Lordships that it would be a proper case for the application of such a principle, only that it would involve a revision of their policy, I take it that it is the duty of the Government to revise its policy, if sufficient cause be shown. I am not advancing an opinion as to whether Her Majesty's Government should or not, at this particular moment, do so.

5074. I thought we had advanced together as far as this; that if the cheapness which has been effected in the supply of sugar could be permanently relied upon, that cheapness would be a benefit to the British nation?—Yes.

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5075. Temporarily

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5075. Temporarily it is a benefit, and, if we could rely upon it permanently it would be a permanent benefit?—Yes.

5076. Then I asked you what ground there was for anxiety as to the permanence of the cheapness. Have you any evidence as to any sources of supply that are likely to be dried up?—I have no doubt that the sources of supply of loaf sugar have been dried up in this country.

5077. The supply of loaf sugar, but not the supply of raw sugar, or of refined sugar, I think?—The supply of inferior refined sugar, what are called pieces, and bastards, has not been dried up; it has not been attacked yet.

5078. The supply of sugar has not been diminished at all, has it?—No.

5079. Is there any sign of its diminishing?—No, not in the case of raw sugar at present.

5080. We get from the source whence we have derived sugar continually increasing quantities, do we not?—No, I think that is not so. The Colonies complain, and I think the production is falling off. They have the greatest difficulty now in competing, and they maintain that, although the supply is not dried up, it is in the course of drying up.

5081. Have you any figures to show that?—No. I should have thought that the West Indian people would give better evidence upon that point.

5082. The figures in the statistical abstract of the Colonies which I have before me, do not show, as yet, any decline, but on the contrary, a continuous increase in the amount of sugar which we derive from those Colonies, although there is a variation from year to year, according to the seasons. The competitors in the English market are numerous, are they not?—Yes, very numerous indeed.

5083. They are not likely to agree together, are they, so as to reduce us to any difficulty as to supply?—I do not know that they would agree together. That is a question, of course, upon which I am not more competent to form an opinion than anybody else. I can only state what is alleged by sugar-producing countries, such as France.

5084. Your present position is contained in this Paper, Commercial No. 17, which we have, is it not?—Yes.

5085. At page 10 you say, "Her Majesty's Government, not wishing to cause embarrassment to foreign Governments by calling upon them to adopt a system of collecting the sugar duties which might involve great administrative changes, invite the several countries to enter into an International Convention upon the following alternative basis." I understand that to mean alternative to the system of refining in bond?—Yes, and another system.

5086. At the beginning of the paragraph you say, "I would therefore offer the following suggestion, viz., that a communication should be addressed by Her Majesty's Government to the Governments of Austria, Belgium, France, Germany, Holland, Russia, and the United States, stating that the British sugar trade, and certain accessory industries in this country, have for some years past been subjected to serious injury by the unfair competition to which they have been exposed in consequence of bounties granted on the exportation of sugar from foreign countries; that Her Majesty's Government have, at repeated

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International Conferences, unsuccessfully endeavoured to induce those countries which largely export refined sugar, to enter into a Convention with this country upon the basis of "refining in bond;" the only system which, in the opinion of Her Majesty's Government, would prove efficacious for putting an end to the grant of bounties on exportation of sugar; that Her Majesty's Government would still desire that an International Convention should be entered into upon this basis, but that Her Majesty's Government, not wishing to cause embarrassment to foreign Governments by calling upon them to adopt a system of collecting the sugar duties which might involve great administration changes, invite the several countries to enter into an International Convention upon the following alternative bases;" do you mean that those are alternative, *inter se*?—Yes, as a basis of the Convention.

5087. As an alternative to one another?—Both systems, as each country may desire.

5088. You only give one system?—I beg your pardon; No. 1 gives the one system, and No. 2 is refining in bond.

5089. There is no alternative to the excise duties in countries where the excise duties do exceed 19 francs; but where the excise duties do not exceed 19 francs some alternative is suggested?—Yes.

5090. What kind of alternative?—I could not possibly explain in that report the alternative systems; they are numerous. One system might suit one country and another system might suit another country. In Germany they take the duty on the weight of the roots, whilst in Belgium they take it on the juice. My object in writing that was this: take Belgium; they produce very little refined sugar; they have 25 refineries in Antwerp scattered in little holes and corners; and it would cost them a great deal of money if they supervised 25 buildings. Their duties are small in amount; they only get 200,000 £. a year for the whole of their sugar duties. I think it would be unreasonable on the part of Her Majesty's Government to go and say to a foreign country which gives hardly any bounty on refined sugar, "You must refine in bond." We should not put our spirits into bond if the duties were very low; but the duties being very high we think it necessary to put them into bond. That was a conciliatory proposition of mine to meet the varying conditions of commerce in different countries.

5091. That is, to meet the case of Belgium; are there any other exceptions?—I would consider that there are exceptions where the duties are low, because we know that where the duties are low the bounties must be very small.

5092. All those exceptions would have to be considered by the countries assembled in Convention?—Yes.

5093. Each special case would have to be considered?—When the duties were low the difficulties would practically disappear.

5094. As between Holland and Belgium, for example, the Government of Belgium would have to see that such a system as was adopted in Belgium would not excite the jealousy of Holland?—Exactly.

5095. And so as between Austria and Germany?—Yes.

5096. In fact, each country coming into the Convention, and not adopting refining in bond, would

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would have to be subjected to some régime to be reviewed and approved by the countries in Convention assembled?—If they wished to become parties to the Convention.

5097. Do you think there would be no difficulty in carrying out that kind of revision of the international arrangements?—I have always found difficulties in everything, especially in negotiations, but I do not apprehend any insurmountable difficulty for the reasons that I give, that I think every country would be very much obliged to us for settling the question for them, and I think we are the only country which can settle it; we should save their revenue, and prevent their competing against one another.

5098. If we enter upon any positive action we must be prepared to accept the necessity of inspecting the sugar industry of every country that you mentioned, must we not?—No, not at all. The countries would have to agree as to what guarantees they would accept.

5099. We should have to examine the guarantees offered by every country, should we not?—We might make the guarantees. Those countries like Great Britain and France, which adopted the basis of refining in bond, would dictate to the other countries as to what guarantees they would consider they might take as equivalent in consideration of their duties being low, and then it would be for the other countries to offer such other equivalents as they might think fit, or to decline to come into the Convention or to accept them.

5100. I do not think the difficulty would be much less whether we dictated the guarantees or whether we invited them to offer guarantees?—This has been considered. I know perfectly well what security Belgium would take, and what security Holland would take, and what security France would take, and I know what security I would advise Her Majesty's Government to take. I know where the line could be drawn.

5101. As to this refining in bond which you recommend, would it be refining in bond for home consumption as well as for exportation?—It is not absolutely necessary, but I do not think the Convention could be framed on any other basis, because I do not think foreign countries would adopt any other system. It would be so inconvenient to the trade to have two sorts of refineries. A refiner cannot always tell whether he is refining for home consumption or for exportation.

5102. If refining in bond is both for home consumption and for exportation, that would be, of course, a drawback on exportation?—No, it would not.

5103. How would the sugar pass out of the refinery?—The same as we pass a cask of spirits out of the London Docks.

5104. It would be under surveillance from the time it left the refinery until it quitted the port?—In the same manner as excise spirits are removed to a Customs warehouse for exportation. That is the easiest thing in the world; we export thousands of casks of that sort of spirit every year.

5105. And you find no difficulty in that?—No, I do not think there is any difficulty at all.

5106. You have been for a long at the Custom House, have you not?—Yes, for 33 years.

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5107. Are you aware that a Committee sat in 1862?—Yes, I am very well aware of it.

5108. Do you know that Lord Cottesloe gave evidence before that Committee as representing the Custom House?—Yes.

5109. And Mr. Ogilvie?—Yes.

5110. And another gentleman, I think, Mr. St. John?—Yes.

5111. Are you aware that they all insisted most strongly upon the difficulty, and indeed the impossibility of refining in bond?—I believe they did; at any rate they made objections to it.

5112. Do you think they were all in error?—Quite so; they were unmistakeably in error.

5113. Then the *personnel* of the Custom House has changed since that time?—The conditions under which sugar is manufactured have changed.

5114. Do you mean in England?—Everywhere.

5115. What are those changes?—It is now possible to take an inventory in a refinery with very little trouble, and at any moment without stopping the work; in former days it was not. You must assume that the refiners are in antagonism to the authorities, and, under such circumstances no system would work well. From the evidence before the Committee in Paris in 1876 and 1877 that is completely disposed of.

5116. You think the refiners and the Custom House would not be in antagonism if the system of refining in bond was set up?—Certainly not. Refining in bond now would consist in watching the doors. We have had great experience in bonding all high duty goods now, and we find it works perfectly well.

5117. But refining in bond had then been adopted in the case of a part of the trade?—Yes; but then there was an antagonism, perhaps, for the reasons which I state. There was that difficulty amongst others.

5118. I am afraid I do not quite appreciate the change of temper on the part of the refiners, which leads you to think they would now consent to refining in bond, the difficulties of which they then found so insuperable?—In their trade memorials in 1872 and 1873 these points are very fully discussed.

5119. Has the question of refining in bond any practical effect upon the English refiners?—Under the treaty of 1864 the English refiners would get a bounty.

5120. As there is no duty, refining in bond is to him a threat never to be realised, or at any rate he looks forward with some confidence to its never being realised?—Yes, but we cannot tell that it may not be realised.

5121. So that the agreement to refine in bond is a very simple and easy matter?—They agreed to it when the sugar duty existed, and they offered to pay the whole of the expenses.

5122. When was that?—In 1872.

5123. That was when Mr. Lowe reduced the sugar duties to one-half, I think?—To 6 s. per cwt. In Belgium they offered to reduce the present duty to 19 francs per 100 kilogrammes, which would be much the same thing.

5124. You remember well, of course, when Mr. Lowe made that reduction?—Yes.

5125. Are you aware that it was said then that it was preliminary to the speedy abolition of the whole of the duties?—Yes. Refining in bond

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bond is only absolutely necessary when the duties are high, for the same reason as we put our spirits in bond.

5126. In 1872 it was quite evident, was it not, that the duties were going to be abolished altogether very soon?—I do not think it was at all evident.

5127. Was not that the general impression?—I do not think Mr. Lowe would have maintained that he was certain of a surplus in the next Budget.

5128. He would not commit himself to any promise of that kind; but was not that what was said freely in the House of Commons, and in the trade newspapers, and amongst the trade?—I do not read the trade newspapers; but if the refiners undertook to pay the whole of the expenses with a chance of a deficit in the Budget, they were running considerable risk.

5129. They did not apprehend any deficit, nor did any deficit occur?—No, but still they were prepared to meet the risk.

5130. Have you looked at the evidence yourself recently?—I have not read it; but I have been at a great many conferences, and Mr. Ogilvie, who had so completely argued the question at other conferences, and who was certainly the best authority we had on the subject, advocated refining in bond most strongly.

5131. But he was present, and gave evidence with Sir Thomas Fremantle?—But that is very old; things have changed since then. In the Conference in London he advocated refining in bond; he and Sir Louis Mallet both advocated refining in bond very strongly.

5132. It is of course very easy to say that refining in bond is easy, because we should not suffer from it in the slightest degree?—All I know is that when we did refine in bond we only put a locker at the side of the house.

5133. You propose to force upon other nations a system which we ourselves when we might have felt it refused to entertain as one which would involve loss to the revenue, and as being troublesome and onerous to the refiners?—I think that has been completely settled by the subsequent conferences. I cannot ask you to read voluminous blue books; but I think the minutes of the Conferences at Brussels and at Paris in 1876 and 1877 completely show that. The Dutch delegates went into it most fully.

5134. What is the date of the countervailing duty on spirits?—1860 is the date when it was fixed at 5 *d.* after the treaty with France.

5135. Was it meant to insure the same rate of duty upon pure alcohol, whether home made or foreign made?—Yes, so as to equalise the duties.

5136. In point of fact, like the old scale of duties upon sugar?—Yes.

5137. This countervailing duty that you propose to establish would be the same on all sugar imported, would it not?—No, you could not say that it would be uniform, because there might be such enormous discrepancies in the bounty; it might possibly be uniform like the spirit duty, but I could not say that positively, because I do not know the extent to which some countries would go.

5138. It might be necessary to vary it from country to country?—It might be possible.

5139. And in relation to the same country would it be the same with respect to all qualities

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of sugar?—Yes, I think so, because the bounty is granted upon the manufactured product. They use a great variety of raw sugar to produce the manufactured product; but when it is manufactured of course the varieties disappear in the refinery.

5140. Of course the bounty in Austria is on raw sugar?—It is on raw sugar.

5141. And in France it is on refined?—And in France it is on refined.

5142. But you propose to strike at the two systems of bounty by one countervailing duty?—There might be two, if necessary, but I think we might have a uniform duty. I do not see any greater difficulty in the case of sugar than in the case of spirits.

5143. But if there were a convention established with a countervailing duty applied to outside countries, it would be necessary to have certificates of origin of the sugar, would it not?—Yes.

5144. You might have some outside countries with drawbacks and bounties, and some outside countries without them?—Yes.

5145. Austrian sugar, for instance, might come to us through Egypt, which is a sugar producing country?—Yes.

5146. Do you think it would always be easy to trace the country of origin of the sugar?—Yes; I think there has never been any practical difficulty found at the Custom House when we had differential duties in this country. We had differential duties for many years on Canadian timber, and Brazil sugar, and so forth.

5147. Timber is a very bulky article?—Yes.

5148. As to sugar, we had a differential duty between our colonial sugar and the sugar of other countries, had we not?—Yes.

5149. Of course our own colonies would not allow sugar from other countries to pass through them?—No; would not the same law apply to sugar which came within the Convention?

5150. But I am supposing the case of Egypt and Austria, both outside the Convention, one having a drawback and the other having none?—Of course there might be a difficulty, but if they sent their sugar such a roundabout way as that it would correct itself.

5151. It is not so very roundabout?—You have shipping, and landing, and reloading, and all those charges form a very considerable proportion to the charge for freight.

5152. As to the amount of the duty I did not clearly catch your idea. What do you suppose is the actual drawback allowed, the benefit of which we have in the case of Austrian sugar?—I should not like to give an opinion. I have discussed it with several persons, and I do not think we have at present enough before us to enable us to come to an exact figure; I believe about 2 *l.* or 3 *l.* per ton would be sufficient.

5153. Do you mean that the price of Austrian sugar is reduced in our market 2 *l.* or 3 *l.* per ton below what it otherwise would be?—No, that does not follow; but I cannot speak with authority upon that. I have been very much occupied, and I have not had time to study these trade statistics and prices where they do not come within my knowledge. Mincing-lane might give this information.

5154. It would be necessary to examine these questions?—Yes, we should have to examine them at the time.

5155. When

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5155. When you examine them, would you endeavour to establish a countervailing duty equivalent to the supposed reduction of the price of Austrian sugars in this market, or to the bounty given by Austria?—That would be a point for consideration; if you put a countervailing duty on for less than the amount of the bounty granted, there would always be a margin of profit left to the refiner or the manufacturer which he could place upon this market.

5156. I do not admit that to be accurate?—He could use up all his bounty by putting it upon this market; supposing that a sugar refiner in France got 10 £. per ton bounty, he can undersell us by sacrificing 1 £. of it, because he would keep the other 9 £.

5157. But would there not be a competition amongst the sugar producers in France to secure that 10 £.?—I do not know what amount he would be required to sacrifice; I do not know what the price would be.

5158. Fix upon any price you like as the price of sugar in France, will a sugar producer in France sell his sugar to the home purchaser at a less price than to the English purchaser?—No, he will sell it dearer at home.

5159. On account of the allowance of drawback?—No, he is obliged to sacrifice his bounty upon export to undersell us; but he is protected by a surtax at home, and therefore he is not obliged to lower his price to the French consumers to the same extent.

5160. Supposing that sugar is selling at 20 £. per ton to the Paris purchaser, and that there is an export drawback of 4 £. per ton, a man would make a considerable profit if he could sell it to us at 19 £. per ton, because he could get 19 £. from us and 4 £. bounty?—Yes.

5161. Do you think that under those circumstances the price of 20 £. per ton to the Paris consumer could possibly be maintained?—There is a difference of price, but I do not know what it is.

5162. Would not every Paris producer rush to the market where he could get 23 £.?—No, because France is an exporting country, and he must export it; if he was not obliged to export his redundant produce in order to get rid of it, it would be different.

5163. His produce increases, I should have thought, because he finds a market for it abroad?—But it is stimulated by the bounty he gets, which enables him to supplant sugar in other markets; there is great over-production in France, and as long as that over-production exists they must export.

5164. But you cannot possibly maintain two prices in the same market; you cannot suppose that if you are a holder of sugar in Paris you would be willing to accept 20 £. from one man when you could get 23 £. from another man?—If you must get rid of your produce you must make the sacrifice whatever it may be that is necessary to get it off your hands.

5165. Ultimately the price to the producer must come to the same thing to whomsoever he sells it?—No; as a matter of fact, it is higher to the home consumer in France than it is over here.

5166. I admit that it is higher to the consumer in France than to the consumer here; but the producer in France gets the same for it whether he sells it at home or abroad?—Yes.

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5167. The difference of price must be the drawback?—Yes.

5168. So that the whole of the bounty is apparently given to us?—I do not know how that would work, but I do not think it would be all given to us, because the bounty is fixed, whereas the price of sugar would vary from day to day, according to the supply in the market.

5169. And there would always be the difference between the price of sugar to be delivered to the consumer in Paris and the price of sugar to be delivered to the consumer in London, and the difference between those two would be the bounty. Of course there would be nominal variations from day to day, but there would always be that difference; it is one of the conditions of trade that it must be so?—I do not quite follow that. The French refiner is in an artificial position, and he must export to get his bounty. By exporting, he gets a certificate, which says, "I have exported so much sugar." That certificate represents say 73 francs, and he can sell it for 75 francs. Therefore, of course, he is driven to export sugar, and in order to export it, I think he is obliged to make some sacrifice for the foreign market, because having exhausted the consumers of France, he comes into competition with the producers of this country. Unless he sells the sugar at less cost than we can produce it at here, he will not obtain a market for it; therefore he makes some sacrifice in the price. I think, as a matter of fact, that is the operation of it, and the whole secret of the shutting up of our loaf sugar refineries.

5170. I suggest to you as a thing that you may reflect over, that there must be the same price realised by the sugar producer in France, whoever his customer is; a man does not sell the same thing to two different people, at two different prices, as a rule?—No.

5171. He will pour more and more upon the person who gives the largest price?—Certainly.

5172. Then, probably, the other purchaser would be obliged to raise the price that he is ready to give to enter into competition; and ultimately there will come to be equality?—Certainly.

5173. The effect that I suggest is, that the price of raw sugar is raised, in Paris, to the home consumer, and is depreciated here; sugar is made dearer in France and cheaper in England; in the one case it has gone above, and in the other case below, what you may call the natural cost of production?—I do not see why it should rise in France.

5174. It rises in France because this unnatural benefit is given on its exportation?—But the raw sugar obtains no export bounty in France.

5175. But you can convert it into refined sugar; you can make a use of it which will give to the manufacturers that benefit?—I cannot follow that. Do you say that the price of refined sugar in Paris must be the same as in London?

5176. The price to the seller, including the drawback which he receives?—As a matter of fact, I believe I am correct in stating that it is cheaper when it is sold for export than when it is sold for home consumption.

5177. Including the drawback?—Yes; because it enables him to get a bounty.

5178. Plus the bounty, it is the same?—Plus the

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the bounty, it may be the same. I see what you mean.

Mr. Thornhill.

5179. Do you see any other means of doing away with the present bounties, except by countervailing the duty or by refining in bond?—I do not.

5180. With regard to the difficulty of calculating the amount of the countervailing duty, do you not think that most of the countries would agree to a convention and come into it, so that there would not be any necessity for imposing a countervailing duty?—I do not think there would; I think they would come into it very readily.

5181. Had you much difficulty in arranging the countervailing duty on spirits?—It was arranged by the Excise after consultation with the trade.

5182. And you think that 3*l.* per ton would be the outside that would be requisite to countervail the bounty on exported sugar?—Yes; I think 3*l.* would be the outside; I have always reckoned it at about that.

5183. I think you said that Article XIX. of the Convention of 1864 was agreed to, notwithstanding the existence of a favoured nation clause?—I have not the treaty before me, and I do not know whether we had a favoured nation clause then. We had a treaty with France at the time; but France was one of the contracting parties to this treaty. We had no other treaty in existence then with the most favoured nation clause, except a very old treaty with Portugal, I think.

Mr. Alexander Brown.

5184. What is the date of the Austrian treaty?—1865.

Chairman.

5185. When was the Convention of 1864 finally settled?—On the 8th of November 1864.

5186. That was revised?—It was only the yields that were revised after experiment.

Mr. Thornhill.

5187. You were instructed at the last Conference by Her Majesty's Government not to agree to any surtax, were you not?—Yes.

5188. Did they base that instruction upon any favoured nation clause with foreign countries?—No.

5189. You were asked, I think, whether it would not be to the benefit of the nation that the wants of a class should be made less costly; but do you think it would be a benefit to the nation if those wants were made less costly at the price of ruining an industry of that nation, which would be the case in the present instance?—Yes. If a permanent benefit could be given to any nation by suppressing an industry, of course there would be no reason for the industry existing.

5190. By means of a bounty?—I do not think bounties can be justified, for the reasons I have stated. I think it is a wrong policy altogether.

5191. You were asked, I think, with regard to the present supply of home-grown sugar being on the increase; do you know whether it is on the increase or not?—I do not. I thought that would have been dealt with by the West India evidence, and that I should not have been asked

Mr. Thornhill—continued.

that question. I have a few statistics here, but they are very rough.

5192. You do not know whether any estates have been thrown out of cultivation?—I have only read the memorials of the West India people, and of British Guiana, where they state that they are in a very bad way. I have also read the statements of the French sugar manufacturers who are now complaining that they have a difficulty in growing their sugar.

Mr. Balfour.

5193. I think you said that the chief evil that you felt arose from the condition of things under which bounties are given, so that uncertainty necessarily attends the course of trade?—Exactly.

5194. In fact, the industries of this country are at the mercy of foreign legislatures?—Certainly, that is my view.

5195. But that is the case, and necessarily must be the case, even under circumstances where bounties are not given; for instance, our industries are undoubtedly threatened by protection, and nobody can describe a bounty as a protective duty. It is unquestionably in the power of any foreign country, by levying duties upon any particular British manufacture, to destroy that manufacture?—No, it is not.

5196. To injure it?—No.

5197. Then you do not think that British manufacturers are at all injured by heavy protective duties being placed upon their goods?—They cannot go into the countries where the productive duties exist; but the injury ends there, I think. Every country has a perfect right to legislate as it likes for itself.

5198. But there is no question that it is possible for foreign legislatures to affect the course of British capital by legislation, altogether irrespective of bounties, by the mere putting on of tariffs?—Yes, they can prohibit, as we do, many things coming into this country.

5199. And that undoubtedly is an injury to the English manufacturer?—It is an injury so far as that he has less customers.

5200. It makes his capital a less profitable investment, does it not?—If he loses a customer, of course he loses profit.

5201. Therefore if you are perfectly consistent in carrying out your theory, you would go the whole length of reciprocity?—No, I should not; I do not believe in reciprocity.

5202. Still you believe in a theory which naturally leads to reciprocity?—I do not believe anything of the sort. I particularly guarded myself against any misapprehension on that point. I said that whatever evils might arise to us, every country had a right to prohibit our goods, and whether we lose or gain, I do not care; although, of course, if I were a trader I should care; but what I object to is, that every trade in this country should be at the caprice of any foreign Government; that they can annihilate any trade in the home market. If France refused to admit our goods, other countries would admit them, unless you mean that a bond might be formed all over the world, and then we should have war.

5203. It is undoubtedly in the power of France to injure some particular manufactures without putting on bounties, simply by the imposition of a duty?—Yes.

5204. That

Mr. Balfour—continued.

5204. That injury is precisely the same kind of injury as is produced by bounties, is it not?—I do not think it is the same kind. You might say that the duty on French wine is an injury to France. I do not think it is an injury, though no doubt we should drink more wine if we had no duties.

5205. Although you regard as the greatest evil of the present system the effect upon the capital invested in the sugar industries, you also think that one of the evils is to the future prospects of the consumer?—Yes, I think so.

5206. You were asked some questions as to whether you had any evidence whatever that the foreign supply of sugar at the cheaper rates would ever fall off?—Yes; and I said I could not answer that question.

5207. Surely it is natural to suppose that it will fall off, because the system of bounties is a great cost to foreign exchequers; it is natural to suppose that those foreign Governments will some day see the error of their ways, and when that occurs, they will withdraw the bounties, and then the evil which you foresee or think probable will actually come about?—No, I think the bounty will dry up the source of production, not the withdrawal of it.

5208. The evil that you anticipate is, in the first place, that the English sugar industries will be destroyed by foreign bounties; and, in the second place, that foreign Governments may see the folly of putting on the bounties, and may withdraw the bounties; and that then sugar will rise to an even higher level than it would at this moment; we could destroy the foreign bounties before the English manufacturer was ruined?—I agree with that perfectly.

5209. That is the secondary evil which you believe comes from the present system of foreign bounties?—Yes.

5210. With regard to the actual policy of this and of previous Governments, the objection which has been urged to abolishing the bounties is that the English consumer will immediately, at any rate, suffer by an increase in the price of sugar?—Yes.

5211. That evil will follow whether bounties are abolished by diplomatic action, or whether they are abolished by the imposition of equivalent duties?—Exactly.

5212. Therefore if the whole objection to putting on countervailing duties arises from the fact that the consumer will be injured, that objection equally lies against the action which this and previous Governments have taken to abolish bounties?—Quite so. If the Treaty was a good one it would have exactly the same result.

5213. The only immediate economic difference between abolishing bounties by diplomatic action, and abolishing them by the imposition of countervailing duties, is not that the consumer is injured more by the one process than by the other, but that the English exchequer would, in the one case, gain by the imposition of the duty, a certain amount of money which, if you abolish these bounties only by diplomatic action, will go into the pockets of the foreign producer?—Yes; but I think that the major consideration comes in there, that the foreign Government would never pay any bounty directly they discovered the process that you describe. The reason for giving

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the bounties would cease; and therefore the Exchequer would gain very little.

5214. But if the worst came to the worst, and if these countervailing duties had to be imposed, the consumer would not be worse off, but the English exchequer would gain instead of the foreign manufacturer; that is your view?—Certainly.

5215. With regard to the mode in which you would impose these countervailing duties, I think the plan that you at first advocate would be to place an equal duty upon all bounty-fed sugar?—Yes, I should myself advocate that; it would be my wish, as a negotiator, to have a uniform duty if it were possible.

5216. But if there is a great difference between the amounts of the bounties in different countries, you recognise the possibility that that might fail; that, for instance, Austria, which gives a much larger bounty, I think, than any other country, might not be induced by this equal duty to remove her bounty?—As I have already said, assuming and thinking as I do, that the policy is sound, which would deprive the consumer of his benefit, whether it is done by treaty or by surtax, that policy should be made efficacious; and if it were necessary to have two surtaxes, the policy not being efficacious without, I am compelled to say that I must accept two surtaxes.

5217. In fact, if one single countervailing duty does not succeed, you would put a heavier countervailing duty upon those countries which gave a heavier bounty?—Yes; but you must understand that that would be done internationally by all the countries, so that we should have the benefit of the experience of the delegates of the countries that collected their sugar duties upon the same system as the country that we proposed to surtax. For instance, Austria and Belgium, and Holland and France, know a great deal about one another, because they collect their duties in some respects in the same way. Therefore it would be much easier than it appears to anybody who has not examined the question as closely as I have.

5218. I do not doubt the possibility of putting on two amounts of countervailing duty, but there seems to be some doubt as to your legal interpretation of the most favoured nation clause; supposing that your interpretation is wrong, and that it would violate the most favoured nation clause, if you put on these countervailing duties, what would be your remedy then?—I do not see any remedy except a countervailing duty.

5219. Would you go the length of putting a countervailing duty upon the country which gave the heaviest bounties, so high as to prevent that country from cutting out the English manufacturer, but also so high as to do an injury to the country which gave a less bounty?—That would involve an element of protection which is totally against my views; but in any International Convention those difficulties would have to be met; and it might possibly be necessary in order to render the policy of Her Majesty's Government efficacious that, as in the case of spirits, a certain inequality should exist. It would not be in accordance with my views that any element of protection should exist; but it might be difficult in that case to prevent it; as, in the case of spirits we have 5*d.*, when in particular cases it ought to be 10*d.*, and 3*d.*

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5220. In

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5220. In your opinion, is the amount of bounty granted by Austria very much in excess of the amount of bounty granted by other countries?—I cannot answer that question, because it has been a matter of very considerable debate amongst people who are better informed than I am about the Austrian bounties. We have never had the amount of the Austrian bounties under discussion once at any conference. I have formed a rough estimate of 3*l.* per ton, which I thought would be sufficient under the present existing circumstances, and it might probably be sufficient when Austria carries out her reforms.

Mr. Alexander Brown.

5221. Do you mean 3*l.* per ton in the condition of the Austrian law now, or as it was before they put on the minimum duties?—I have not examined the effect of the minimum yet, but the minimum need not produce the effect which people think.

5222. You put it in this way; that the effect of the alterations in the law is hardly understood yet?—It is hardly understood yet; it has a tendency, no doubt, to reduce the bounty.

Mr. Balfour.

5223. Of the two evils to which you might possibly be driven, viz., the evil of some form of protection on the one hand, or if not, giving complete redress to English manufacturers on the other; which would you prefer?—I have, personally, such a great dislike to protection, that I would go great lengths to get rid of any element of protection; I think it is bad.

Mr. Sampson Lloyd.

5224. I think you have been asked some questions which tended to show the alleged inconsistency of a surtax, if one were put on, with the most favoured nation clause, under which we are bound by treaty with several nations; is it not the fact that in 1859 we entered into a Treaty of Commerce and Navigation with Russia in which Article No. II., is as follows:—"No other or higher duties shall be imposed on the importation into the dominions and possessions of Her Britannic Majesty of any article, the growth, produce, or manufacture of the dominions and possessions of His Majesty the Emperor of all the Russias, from whatever place arriving, and no other or higher duties shall be imposed on the importation into the dominions and possessions of His Majesty the Emperor of all the Russias of any article the growth, produce, or manufacture of Her Britannic Majesty's dominions and possessions from whatever place arriving, than are or shall be payable on the like article, the growth, produce, or manufacture of any other foreign country, nor shall any prohibition be imposed on the importation of any article, the growth, produce, or manufacture of the dominions and possessions of either of the two contracting parties, into the dominions and possessions of the other, which shall not equally extend to the importation of the like articles, being the growth, produce, or manufacture of any other country?"—I know that that Treaty exists, but that article was not within my personal knowledge.

5225. Is it not a fact, that although the Government of that day were parties to this Treaty, and of course were exceedingly well aware that it

Mr. Sampson Lloyd—continued.

existed with this clause, yet, in 1864, they entered into a convention which has been so often alluded to with several Powers, with Belgium, Holland, and France, and to which Russia was not a party?—Yes, that is true, certainly.

5226. That convention has been so often referred to that I need hardly quote it, but that convention states, that "In the event of bounties being given in the said countries" (which I take to mean the countries which were parties to this convention, and the other countries whose adhesion the high contracting powers engaged to try to get) "on exportation of refined sugars, the high contracting parties will be at liberty to come to an understanding as to the surtax to be imposed on the importation of refined sugars of and from the said countries." Now, if the imposition of surtax such as is advocated, I believe, by yourself and several other witnesses, is a deviation from the most favoured nation clause, is it conceivable that the late Government would first of all make this Treaty with Russia, and then whilst it was in full force and effect, try to make this Convention of 1864?—That would be a question that the negotiators should answer, but I think it seems inconsistent; they might possibly not have had before them the Treaty with Russia.

5227. But would it not be inconceivably careless on the part of the Government of this great country to make important conventions with four or five of the leading Powers of Europe affecting such an important article as sugar, in a state of ignorance, either partial or profound, of what they have been doing in 1859?—The article only says that the high contracting parties will be at liberty to come to an understanding. It contemplates the possibility of it. Of course it would not really affect the question with Russia unless it were proposed to put a duty on Russia, and then the matter would have to be considered.

5228. But supposing that Russia had been exporting sugar with a bounty (I am not quite sure whether she does so or not; but it is conceivable and possibly the fact that she does so), we might have been called upon by France under the terms of this Convention to impose a surtax upon Russia whether we would or not?—I do not know whether the article goes so far as to impose an obligation.

5229. At all events, it was contemplated; what I want to elicit is this: some question has been raised as to whether a surtax such as you, I believe, would favour under some circumstances (a countervailing duty, some people call it), is not totally inconsistent with treaties which contain the most favoured nation clause; my object is to ask whether the Government having made this Treaty, and having also done their best to make this Convention, which allowed the imposition of a surtax, it is conceivable that that inconsistency could have been held by the law officers of the Crown to exist?—I cannot answer that question. I do not know that the law officers of the Crown were consulted.

5230. Would you yourself consider it consistent, or inconsistent?—The article as worded, perhaps, might be looked at in a different light, because the article says that they will be at liberty to come to an understanding.

5231. If the countervailing duty or surtax (which is the same thing) is inconsistent with the most

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most favoured nation clause, why did we actually negotiate a treaty with Austria on 5th December 1876, 12 years after this Convention of 1864, which also contains word for word, or nearly word for word, the same stipulation in Article II. : "The produce and manufactures of, as well as all goods coming from Austria-Hungary which are imported into the territories and possessions, including the colonies and foreign possessions of Her Britannic Majesty, and the produce and manufactures of, as well as all goods coming from, British possessions which are imported into the Austro-Hungarian Monarchy, whether intended for consumption, warehousing, re-exportation, or transit, shall therein, during the continuance of this Treaty, be treated in the same manner as, and in particular shall be subjected to no higher or other duties than, the produce and goods of any third country the most favoured in this respect"?—That is the most favoured nation clause. It is open to your interpretation; but of course it would depend a great deal upon the way in which that article was looked upon, and the circumstances under which it was inserted.

5232. But of the Convention of 1864 are these the words: "In the event of bounties being given in the said countries on exportation of refined sugar the high contracting parties will be at liberty to come to an understanding as to the surtax to be imposed on the importation of refined sugar of and from the said countries." Bearing in mind that Russia, Holland, France, and Great Britain signed that Convention and did their best to get other countries to sign it; is it not clear that they at all events contemplated the advisability under certain circumstances of imposing a surtax, though at the same time they were bound by the most solemn treaty stipulations to give a most favoured nation clause to some countries outside the convention, and to Russia particularly?

5233. Was it not one of the objects of this Convention of 1864, that those countries should agree with one another to give one another power to impose this surtax?—No doubt it was contemplated by that article, action being taken against countries that gave a bounty irrespectively of any other consideration.

5234. Therefore, is it not clear that by the high contracting parties, one of whom was the Government of Great Britain, it was held that, bound as Great Britain was by solemn treaty to give the most favoured nation clause, it was consistent with good faith to these countries to join with other countries in taking power to impose a surtax?—No doubt our plenipotentiaries signed the Treaty.

Mr. Morley.

5235. I understand you to state that you have no fear of the competition between the British refiners and the foreign refiners if we can dispose of the bounty question?—I do not apprehend any danger to the British refiners when that question is disposed of.

5236. I understood, further, that your plan would be, if I might so call it, to arrest the amount paid in bounty, and pass it to the credit of the British taxpayers?—Yes.

5237. You think that you who eat no sugar should have a share of that advantage as well as those who do eat sugar?—Yes, quite so.

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5238. I think there was a little discussion between you and the honourable Member for Liskeard about the price that the French refiner would charge; of course he must be controlled by the competition of other refiners?—Yes.

5239. But he would retain any portion of the bounty that he could, so long as his sugar commanded a sale in the British market?—Yes.

5240. If this goes on, and if the English sugar refining industry should be extinguished or greatly lessened, we may then, you think, when the French people wake up to the folly of their present system of bounties, be left at the mercy of the French refiner?—Yes.

5241. Is it not one of the great objections to the bounty system, that it is an unfair introduction of a matter into the competition between English and French refiners?—No doubt.

Lord Frederick Cavendish.

5242. I do not clearly understand the precise course of action which you recommend in order to put an end to these bounties; would you recommend that this country should at once impose countervailing duties, or should express its willingness to enter into negotiations for a new convention, one of the conditions of which should be, that countervailing duties should be levied?—That is the course that I have recommended.

5243. The first or the second?—The second; that we should have an International Convention with a revival of Article XIX., contemplating a surtax.

5244. You would not recommend, as one of the witnesses has done, that this country should at once impose a countervailing duty?—No, I would not; I think that would be a shorter way; but I do not, for these reasons: that Her Majesty's Government have been lately entering into commercial treaties with countries, and I believe it is held generally that these commercial treaties are productive of feelings of goodwill, and will advance eventually the cause of the true economic policy of free trade, which we advocate. I should be rather inclined to conciliate all foreign countries; and that is why I have introduced the alternative scheme into the propositions that I put forward; that I should not wish that we should be absolute in any action, or that it should appear that Her Majesty's Government did not consider the varying conditions of trade and commerce which existed in other countries, as might be expected at the hands of an enlightened Government like the British Government.

5245. But supposing that in those negotiations for a new convention difficulties should arise, and that no convention should be agreed upon, should you then recommend the British Government to impose a countervailing duty by itself?—Yes, I think it would be right. The effect would be to deprive the consumer of an artificial benefit, and I think as the policy is right we must make it efficacious.

5246. Supposing that this country by itself, and without a convention, imposes a countervailing duty upon all bounty-fed sugar, how should you proceed with regard to France; should you levy a duty?—Only on refined sugar.

5247. But as there are various degrees between loaf sugar and raw sugar, would you levy the

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the duty according to the standard?—We should have to take that into consideration. In the case of any sugar that we found receiving export bounty we should have to countervail the bounty.

5248. The bounties given by France, for instance, are very different indeed from those given by Austria?—Yes, the one is on the refined product, and the other is on the raw.

5249. Therefore if we are to keep in any degree within the conditions of the favoured nation clause, we should have to levy a very different countervailing duty upon the sugar from France, and upon the sugar from Austria?—I think not. I should take all sugars exported with drawback, and I should assess the countervailing duty in the best way we could, as we have assessed the spirit countervailing duty.

5250. But surely it would not be just that where the drawback is very small, as in the case of Belgium, the countervailing duty should be as large as it is in the case of Austria where the drawback is very large?—The drawback on sugar in Belgium is not very small now.

5251. Is it not very small in comparison with Austria?—I do not know that it is very much smaller than in Austria. It is a system that admits of such tremendous frauds that I could hardly say that.

5252. How should you deal with sugar coming from the United States?—I would deal with it in exactly the same way.

5253. Should you regard sugar exported from the United States as bounty-fed sugar?—I have not gone into the question very closely; but I believe there is a bounty on refined sugar from the United States at this moment, though they have done a great deal to stop it. There is certainly a drawback, and therefore I may say there is a bounty, but I do not know to what extent.

5254. How should you deal with sugar coming from Egypt, where the factories are mainly owned by the Government; do you regard them as having a bounty?—No; I think the Government may carry on business and compete with any other trade.

5255. Even at a loss?—If they choose.

5256. What is the difference between a Government carrying on business by itself at a loss and giving bounties to its own producers to enable them to carry on business; should you not equally put a countervailing duty upon sugar coming from Egypt?—No, I would not put a countervailing duty unless there was a drawback; I should draw the line at drawback, because drawback gives a bounty, and it is the export premium that I should attack.

5257. As I understand, if we levied the countervailing duty without a convention, you would levy it roughly upon all sugar receiving drawbacks?—Yes, with some inquiry to meet the justice of the case; as in the case of spirits; we must do the best we can.

5258. But in the case of spirits, the difference between 10 s. 2 d. and 10 s. 5 d. is very small indeed?—It is enormous.

5259. Not in comparison with the whole duty levied?—But in comparison with the value of the article it is. The value of the German spirit averages 1 s. 5½ d. per gallon. It makes a great deal of difference; at least, the Germans think it

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does, and they have addressed very serious complaints to this Government about it.

5260. You believe that the inequalities in that duty are of the same character as those which would arise from the different amounts of drawbacks granted by those different countries?—Yes; I think they are of the same character; they are an approximation.

5261. And an approximation also to the bounties given by those countries?—They do not give a bounty on spirits.

5262. If we proceed by convention, I presume, from the jealousy of those different countries, it would not do to proceed by this rough and ready measure, but that the countervailing duty to be established by the Convention would have to be accurately in proportion to the amount of the bounties given?—No countervailing duty would be imposed upon any country entering the Convention; it is only when a country refused to come into the Convention that they would have to be dealt with as proposed by Article XIX. of the 1864 Convention.

5263. And you think that with our favoured nation" clauses we could enter into a convention binding us to put a countervailing duty on sugar coming from countries not within the Convention?—My opinion is not a very valuable one upon that point, because it is for the law officers of the Crown. My view is, that sugars exported with or without drawback are exported under different conditions like wine. We might let sugar, exported without a drawback, come in duty free, and put a small duty on sugar exported with a drawback.

5264. Might not such duties be said to be a breach of the most favoured nation clause?—If they are applicable to the whole world and no country is mentioned, I doubt whether they could be said to be a breach of that clause.

5265. Not speaking legally, but according to ordinary justice, do you think it would be equitable that we should bind ourselves to levy the same amount of countervailing duty upon sugars coming from countries which give a small bounty, as we should levy upon sugar coming from countries which give a large bounty?—Certainly not; but we should adjust it as near as possible.

5266. Would there not be very considerable difficulty in that adjustment?—There would be some difficulty, but we have had great experience upon this question, and we should derive the benefit of the advice of all the foreign countries who assessed their duties upon this system.

5267. I think you stated that it was perfectly impossible to avoid giving bounties where drawbacks were given, because you cannot fix fairly the amount of the drawback to be so given?—There is a difficulty.

5268. Would there not be the same difficulty in settling the amount of the countervailing duty?—There would be a certain amount of difficulty.

5269. Why is it easier to fix the amount of a countervailing duty than it is to fix the amount of a drawback?—Because a drawback must either do an injustice to the refiner, or it must give him a benefit; and therefore rather than injure him, nations have been forced to give him a little more, not to injure his trade.

5270. Would not the same apply to the countervailing duty, that you must either give too

Lord Frederick Cavendish—continued.

too much or too little?—There would be a difficulty, I think, in apportioning it very exactly.

5271. You stated that if we were to announce our intention of imposing these countervailing duties, every country could at once give up the system of bounties, in order to retain the English market; is it not the fact that Austria exports very largely to other countries besides England?—I cannot answer that question, for the Customs statistics, unfortunately, lump them under Germany.

5272. Is it not the case that the French complain that they are losing the trade with the Mediterranean, in consequence of the Austrian bounty system?—Yes.

5273. Therefore we may presume that a large quantity of Austrian sugar goes to the Mediterranean?—Most likely.

5274. In order to retain this trade with other countries besides England, and in order to avoid the practical inconveniences of refining in bond, is it not quite conceivable that Austria would decline to adopt refining in bond?—All that Austria has done lately points the other way. They have tried to stop these bounties, and they have raised their assessment very much lately.

5275. They have shown their desire to avoid bounties, but they have not by any public act shown any readiness to adopt a system of refining in bond?—The Minister of Finance, I understand, has now stated that he fears there will be no other means of arresting it.

5276. Have you studied the new Austrian law?—I have seen the provisions of it, as reported by the Secretary of Legations, and I know the principle upon which they collect their duties.

5277. From your general knowledge of the subject, and from your inspection of the new Austrian law, have you any opinion as to how far that law would be effective in putting an end to bounties?—I think it will decrease them very much, but I cannot tell how far, because the Austrian system depends upon the machinery used, and the manufacturers may make their machinery work faster and faster according as science assist them. They may get a bigger yield than they did, and so the Government may not obtain the duty they expect; but the tendency is to reduce the bounties very much.

5278. But you cannot give any definite opinion as to how far they will be successful?—No, I cannot; and I do not think the Austrian Government could at the present moment.

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5279. Having given so much attention to this subject, and represented this country at various conferences, are you able to give any definite information to the Committee as to the amounts paid out of the Exchequers of the various countries in the way of bounties on sugar coming to England?—I cannot tell you the amounts paid out of the Exchequers of the various countries.

5280. Have you made any estimate of it?—I have made an estimate of it as to the French bounties, and I have put it at about half a million sterling.

5281. On sugar exported from France into England?—No; on the whole export of France into other countries.

5282. You cannot say what would be the proportion on sugar exported into England?—I suppose roughly 130,000 *l.* or 140,000 *l.* of it; but perhaps that is exaggerated, and it might be put at 120,000 *l.*

5283. Have you made a similar calculation with respect to the sugar imported from Belgium?—I have not.

5284. Or from Holland?—The whole export bounty is reckoned by the Government at 140,000 *l.*; and we should have to make a calculation of what comes into this country. On what reached this country I should think we should obtain a benefit of about 20,000 *l.* or 30,000 *l.*

5285. You state that that is founded upon a calculation of the Dutch Government; should you think yourself that that estimate was accurate?—It is an estimate given by Mr. Toe Water, who is their great authority. He is Director General of the Customs at Rotterdam, and he has attended the conferences. He has published that estimate in a newspaper.

Chairman.

5286. Was the amount that he gave in florins; 1,800,000 florins?—I think it was; it would be about that.

Lord Frederick Cavendish.

5287. Can you form any estimate as to the amount of bounties paid out of the Austrian Exchequer?—

5288. At the time when the Convention of 1864 was made there were Customs duties on sugar in England, were there not?—Yes.

5289. Do you consider it probable that if there had been no such duties we should not have entered into that Convention?—I cannot say.

*Mr.
Walpole.*
18 July
1879.

Tuesday, 22nd July 1879.

MEMBERS PRESENT:

Mr. Balfour.
Mr. Bourke.
Mr. Alexander Brown.
Lord Frederick Cavendish.
Mr. Collins.
Mr. James Corry.
Mr. Courtney.

Sir James M'Garel-Hogg.
Mr. Sampson Lloyd.
Mr. Norwood.
Mr. Onslow.
Mr. Ritchie.
Mr. Stewart.
Mr. Thornhill.

C. T. RITCHIE, ESQ., IN THE CHAIR.

Mr. GEORGE HENRY CHAMBERS, called in; and Examined.

Chairman.

Chairman—continued.

Mr.
Chambers.

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529C. You are, I think, Chairman of the St. Katherine's Dock Company?—Yes, I am.

5291. And also a West India Merchant, representing the house of Thomas Daniel and Company, and Thomas Daniel and Company, of Bristol?—Yes; Thomas Daniel and Sons, of Bristol.

5292. Of course your experience on the condition of the West India sugar business, and the condition of the colonies is very extensive?—I have had 49 years' experience. I came to the business on the 1st of May 1830, and I have known all the circumstances of the West India Colonies from that time.

5293. Your firm, I think, is interested in a very large number of estates?—Yes; a very large number of estates in Barbadoes, and, in some measure, in many of the other colonies, but they are much more divided; our interest is chiefly in Barbadoes, but we are very largely interested in other colonies, in Demerara particularly, and also Trinidad and Jamaica, and other colonies.

5294. What may we take to be the number of estates in which your firm is interested?—They are concerned for between 300 and 400 estates, the largest number in Barbadoes.

5295. I think you yourself have not been in the West Indies?—I have not.

5296. But of course, naturally, you have an extensive correspondence there?—Yes; we have very extensive correspondence.

5297. You are aware of the efforts that have been made in the West Indies to promote the cultivation of sugar?—Yes; and I may say that we have paid hundreds of thousands with the idea of increasing the cultivation and improving the manufacture.

5298. Have you also availed yourself of the most improved machinery for the purpose?—Yes; especially in Demerara, where we have, I believe, the finest machinery that there is anywhere.

5299. In fact, in your opinion, everything has been done that could possibly be done to promote the largest growth of sugar?—Most decidedly; and upon the most economical terms.

5300. I think the mode in which the sugar manufacture in the West Indies has been carried on, has been the subject of a Report by a United States Commission, has it not?—Yes; there was a Commission issued by the United

States, and they made a very satisfactory report, so far as the West Indies were concerned; but also the Court of Policy in Demerara, in 1853, sent a chemist, I may say, all over the world, wherever sugar was grown, in order to obtain the most perfect information as to the manufacture of sugar, and every suggestion that was made by that chemist was tried and was made available.

5301. Whom do you say they sent?—The Court of Policy in Demerara, which is in reality their legislative court, sent Dr. Shier out to ascertain what were the best methods of production in all parts of the world.

5302. Sugar has gone very much out of cultivation in Jamaica, has it not?—Yes, very much indeed.

5303. What became of the machinery which was employed in Jamaica, where that industry fell off?—When the estates went out of cultivation in Jamaica, after the emancipation, the Cubans came and bought a large portion of our machinery.

5304. Is Demerara sugar considered to be superior to most of the other sugars grown in the West Indies?—The vacuum pan Demerara sugar is some of the finest that is produced, and brings a very high price.

5305. Is that on account of the inherent qualities of the sugar, or on account of the process through which it is put?—Partly the one and partly the other; it is made from the juice of the cane by a very improved process of manufacture.

5306. We have heard that it brings rather a higher price in the market than the price of beetroot loaf sugar; is that according to your experience?—It does at the present time; but the relative price will vary, according to the circumstances. When vacuum pan sugar was first introduced, we calculated upon getting 10s. per cwt. more for the vacuum pan sugar than for ordinary sugar. Then for a time it declined when the refiners made sugar corresponding with it, but latterly it has increased again. The refiners using more beetroot sugar, the public began to find out that there is not quite so much sweetness in it, and they have gone back to the Demerara vacuum pan sugar, and it brings now a relatively high price.

5307. Do you remember the equalisation of the

Chairman—continued.

the duties on free and slave-grown sugar?—Yes, I do.

5308. What effect did that have upon commerce?—It threw us back very materially. The Act was first passed in 1846, and amended in 1848, and it came into full operation in 1854.

5309. That matter was dealt with by the Committee of the House of Commons, which was obtained at the instance of Lord George Bentinck?—It was.

5310. Did you find any difficulty in competing with slave-grown sugar?—We had, for a long time, and until the slave trade was checked, very little chance of competing successfully; but the check that was given to the slave trade did help us. The Cubans being deprived of their supply of slaves from the coast of Africa, to a great extent, had to bring in more expensive labour, and then they could not compete with us quite so favourably.

5311. You gradually surmounted those difficulties, I think I understood you to say?—We were able to withstand competition much better when the price of labour was raised in Cuba, and in that way we found that we were getting forward again a little, and that competition being diminished, we held our ground better.

5312. Then, after that had been surmounted, you were met by the difficulties which you now experience in the competition of bounty-fed beet sugar?—Yes; that is now our very serious difficulty.

5313. Have the islands that you are connected with participated in any of the advantages likely to accrue to the sugar estates in consequence of the largely increased quantity of sugar consumed in this country?—No; we have not benefited to the extent that we expected we should have done; we could enormously increase our production in the West Indies, but of course it is a question of price; and while the price is left indefinite by bounties, and in fact materially depressed by them for a time, they are not encouraged to go farther.

5314. Has Cuba supplied any quantity of the increase of the demand caused by the increased consumption?—Cuba has largely increased her production; then it fell off again for a time, but this year she has again made a great stride forward.

5315. So that I understand your complaint is that the West Indies have been deprived of the benefit that they ought to have derived, first by the competition with slave-grown sugar, and next by the competition with bounty-fed beet sugar?—That is so.

5316. I understand from you that this competition of which you complain has prevented your obtaining the natural market prices for your sugar?—Certainly; the effect of the bounties is not simply to lower the price, but also to injure us indefinitely; those countries granting bounties have also protection. They have a higher market in their country for their own produce, and they have a certain bounty upon what they export, and that leaves us quite uncertain what price we may obtain for our produce, because the price is not governed by natural causes, but by those fiscal regulations.

5317. Then I understand you to agree with the other witnesses who have been here, that the prices which you are able to obtain at present for your sugars are such as altogether to prevent any

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Chairman—continued.

profit being derived by those sugars?—Certainly, in almost all cases. A few favoured estates might make a clearance, but very few could go on producing at present.

5318. You also agree with some witnesses that the growth of sugar would have decreased much more even than it has done if there had not been some hope that the negotiations which the Government have carried on for some time past would eventually result in the abolition of the bounties?—That is so most undoubtedly. Many estates which have been kept in cultivation in the hope of improved times would have been abandoned but for the expectation that some good would result from those conventions.

5319. Do you contemplate any great number of sugar estates going out of cultivation if no recommendation is made by this Committee which is likely to lead to the abolition of the bounties?—I am afraid that that is certain. I think the only estates that can be maintained in cultivation would be some few favoured estates in Demerara and some few in Jamaica, where the rum is of especially fine quality and helps them with their expenses, and some few in St. Kitts and some in Barbadoes, but I think that in most of the other colonies the cultivation would have to be abandoned.

5320. And although the gradual abandonment of the cane sugar cultivation might not immediately have the effect of raising the prices, what in your opinion would be the effect ultimately when the cane growth was driven out of competition?—Most undoubtedly the price of sugar would be very much raised, and we should be dependent upon a precarious crop, instead of a crop which upon the average is a very certain one, and then competition being done away with, those who have been enabled to go on under bounties, would naturally raise their price upon us.

5321. You do not think that the beetroot crop is a crop upon which sugar consumers ought to be dependent?—Certainly not; it is not equal in quality to cane sugar, and a root crop is always a precarious crop. We have found by experience that every now and then there is a failure of the crop, and when that occurs there is a great failure of course in the production.

5322. When was the last failure?—In 1876–1877.

5323. And the result was a very large increase in the price?—Yes, the prices rose very rapidly.

5324. Notwithstanding that the high prices brought sugar to this country from markets which do not as a rule send sugars here?—That was so; the effect of these high prices was to cause telegrams to be sent out, and sugar was brought especially from China. There was a very large importation from China, which was quite unusual.

5325. In consequence of the high price of sugar here at that time was there not an increased crop in our West Indian colonies, but the increased import was obtained by bringing sugar to this market which as a rule goes elsewhere?—Yes, from other sources.

5326. I do not know whether it is within your knowledge as to whether there has been an increase in the price of raw sugar within the last few days?—The market has been a little firmer within the last few days; the lower qualities have advanced probably from 1 s. to 1 s. 6 d.

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5327. Do

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Chairman—continued.

5327. Do you know whether that has had any connection with the possibility of a small beet-root crop this season?—I think it is a natural consequence of the expectation, as the beet has been seriously injured by the unfavourable weather.

5328. I suppose the weather, which has a bad effect upon the root crops in general, also has a bad effect upon beet?—Usually.

5329. Are you of opinion that the continuous rains that we have had are therefore likely to result in a short crop of beet?—I might almost say that I hope so. The feeling is that the competition is an unfair one.

5330. But that expectation in your mind accounts for the rise which has taken place in the price of sugar?—Entirely.

5331. That is a consequence which may result at any time from a wet season?—No doubt.

5332. Therefore, may I take it that, although you are of opinion that the system of bounties does have an immediate present result in reducing the price of sugar to the consumer, yet, by having to rely upon a crop of that kind, you think that it will ultimately tend to increase such prices?—I think there can be no doubt that that will be the result at last; and I think that the lower price at the moment is very dearly purchased, even as the matter stands.

5333. The sugar which is exported from the West India Islands, of course, has to be paid for in some shape or form; do you know whether it is paid for by the export of goods from this country?—Chiefly. The trade of our West Indian Colonies has been very much confined to this country; nearly all the supplies go from here except provisions.

5334. So that West India sugar is paid for in English goods?—Yes.

5335. Does your firm employ principally English ships in the carriage of their sugar?—I might almost say entirely. I think we have only had one foreign ship in the whole season.

5336. You do that, I suppose, because you consider that English ships carry the cargo best?—Yes, we have greater reliance upon them.

5337. Therefore, any loss to the shipping trade which might result from the cane-sugar cultivation decreasing would fall upon the English shipping?—Chiefly; almost altogether.

5338. Is there any other English interests which you think might be materially affected by a decrease in the production of cane sugar?—There is scarcely an English industry which would not be injuriously affected. Our chemists, our engineers, our coopers, our carriers of all kinds, our ironmongers; indeed there is scarcely a trade which would not be injured by the cessation of the production in the West Indies.

5339. We have had evidence that the principal cost of sugar is the labour; is that your opinion?—It is virtually the labour, indeed I may say almost entirely.

5340. Then the transfer of the labour, and the money spent on labour from the West Indies to the Continent would be the transfer of so much money from British subjects to foreign subjects?—No doubt.

5341. Then you agree with other witnesses who have proposed that, if necessary, this country would be justified in putting on a countervailing duty against bounty-fed sugar?—I cannot conceive that there can be any reasonable doubt

Chairman—continued.

upon the question, because this country, having adopted the principle of free trade, I think we should be careful that it is carried out, and that we should have a fair opportunity of competing.

5342. Of course I imagine you would repudiate altogether any desire to be protected against any natural advantages of other countries?—Yes, most assuredly.

5343. But at the same time you desire to have the benefit of your natural advantages?—Certainly.

5344. You would rather than advocate a higher amount of countervailing duty than the bounty be content with a lower rate rather than appear to wish for protection?—Certainly; I think it would be much better that the countervailing duty should be rather within the amount of bounty than that it should exceed it; but in a case of this kind, it would be very difficult to be mathematically correct; you must assume a certain amount.

5345. The countervailing duty, although there was one of 2*l.* a ton put on, would not necessarily mean that the price of sugar was raised 2*l.* to the consumer, would it?—No, certainly not.

5346. Supposing that that was the amount of the bounty, it would really only be the figure which was required to restore the markets to their natural condition of competition?—Quite so.

5347. That being so, our market would still be open to beet sugar as it is to cane sugar?—Quite.

5348. And the competition between those two industries would result in the consumer obtaining his sugar at the lowest possible price?—Yes, undoubtedly.

5349. So that even if there were a bounty of 2*l.*, it does not necessarily follow that the prices would be raised 2*l.*?—Certainly not.

5350. Have you considered what would be the effect of a restriction of your industry upon the emancipated classes of the West Indies?—I have no doubt whatever that it would be most injurious, because supposing the staple industry destroyed, there would be no incentive to people to work, and they would relapse certainly into a state of semi-barbarism.

5351. What has been your experience of the effect of continuous work and wages upon the negro population?—Wherever they have kept steadily at work, they have rather improved, but wherever they have not found it necessary to work, they have gone back decidedly. Such is the state of things in Jamaica, to some extent.

5352. Has the negro population degenerated in Jamaica in consequence of the island not being as prosperous as it was?—In many districts it has, in consequence of having no settled industry.

5353. Of course, Jamaica is not so large a sugar producing country as it was?—No; I should say certainly not more than one-fourth what it produced formerly.

5354. Can you tell the Committee what the land which was formerly in Jamaica occupied by sugar growing is now occupied with?—A very large portion of it is out of cultivation altogether.

5355. And nothing grown on it at all?—Nothing grown at all upon a large portion.

5356. I suppose the revenue and all the institutions and government of the West Indies are mainly dependent upon sugar growing?—Yes, upon the sugar industry.

5357. What,

Chairman—continued.

5357. What, in your opinion, would be the result of the cessation of this industry upon the institutions of the West Indies?—Gradually they must decline. There would be, after a time, no public revenue.

5358. Have you found in your experience that the present state of things has caused considerable dissatisfaction to the owners of estates in the West Indies?—Yes, very great indeed; and I know that instructions have gone out to abandon cultivation in many instances. We ourselves have given instructions in Jamaica that nothing more should be done than is just necessary to keep the property together in the case of four estates.

5359. You think that if you were certain that nothing was going to be done to put a stop to those bounties that would be the result in a great many other cases besides your own?—Very many.

5360. Is there anything else that you would wish to put before the Committee in your examination in chief?—I think that the main facts are before the Committee now; that our production is checked by those bounties, and that a continuance of those bounties must lead to almost all the estates in the West Indies going out of cultivation; and I do think that the country is making an enormous sacrifice most needlessly, and is suffering very much from it.

5361. You have heard or read most of the evidence which has been given from a West India point of view; may I take it that generally you concur in what has been said?—I do.

Mr. Stewart.

5362. What colonies have you a personal knowledge of?—I have not been in the West Indies.

5363. But do you attribute the present state of Jamaica to this bounty-fed sugar being introduced into this country?—I think that the improvement which had been commenced in Jamaica has been checked by these bounties, and that if continued almost all the estates in Jamaica must go out of cultivation. I think that the only estates in Jamaica that could be maintained in cultivation would be those I have mentioned, where they make a rum of very high class, and the price of the rum probably will enable them to go on; but apart from that, I believe that all the other sugar estates in Jamaica must go out of cultivation.

5364. Is it not your opinion that the difficulty attending labour has a great deal to do with the want of prosperity in the West Indies?—That has been overcome in almost all places; there is still a matter of difficulty in Jamaica, but there is a difference of opinion upon that point. Some planters say that they have no difficulty in getting as much labour as they want at a moderate price, and others say that they have a difficulty. I fancy that that is the case in almost all places.

5365. You said, I think, that if we were to put on a countervailing duty, it would not necessarily raise the price of sugar?—Certainly not; not to the extent of the duty.

5366. What amount do you propose putting on; would you consider, as some other witnesses have stated, that 2*l.* per ton was about the right sum?—It has been suggested that from 2*l.* to 3*l.* would be sufficient, and I think it would be so.

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Mr. Stewart—continued.

5367. If it is not to raise the price of sugar, in what way would you benefit the West India industry?—I think the uncertainty in which we are is one great reason why we cannot attempt to grow sugar or make improvements. Whilst these bounties remain, we do not know what we have to compete with. If the market were thrown open to the beetroot sugar producers and the cane sugar producers upon ordinary terms, then we might courageously enter into competition; but we cannot tell what the effect of these bounties may be upon the price; it is too indefinite.

Mr. James Corry.

5368. Has the production of sugar in the West Indies increased in the last few years?—I think it has remained about stationary in the last few years, instead of increasing, as we hoped it would have done.

5369. Do you think that the uncertain state of matters with reference to those bounties has prevented any increase taking place?—Undoubtedly it has had that effect; it has checked all efforts at improvement. We find that our produce does not pay us, and therefore we are not encouraged to go farther.

5370. Has there not been a very great depression in all business in the last two years, and has not that had something to do with the low price of sugar, and the want of demand for West India sugar?—No; there has been plenty of demand for sugar; the deliveries have been very satisfactory, and our consumption has gone on.

5371. But the price has been unsatisfactory?—Yes; the price has been unsatisfactory.

5372. You do not think that the labour question has really much to do with the matter?—No; in almost all the colonies we have got over the labour difficulty.

5373. Some witnesses have told us that the labour difficulty was one that influenced the production of sugar considerably?—No doubt it has its influence, but, as I have stated, in almost all the colonies we have nearly surmounted that difficulty.

5374. Your opinion was that a countervailing duty would in no way infringe the free trade law?—Surely not. I consider that the principle of free trade is, that production shall go on where it can be most economically carried on, uninterrupted by fiscal arrangements. That seems to have been the principle that was laid down when free trade was introduced, and that where fiscal arrangements disturb that which is natural, it is perfectly fair to take that course which would remedy the grievance.

5375. You have no objection to enter into fair open competition with any sugar growers in any part of the world, if only it is done in the natural way?—Not the slightest.

5376. Do you think that the West Indies is perfectly competent to supply an article that will hold its own against that of any other country?—I cannot doubt it in the least, especially looking to what we have done in the past as a guarantee of what we could do in the future.

5377. Then it is not the fact that there has been any want of energy in the planters in the way of providing the best machinery and the best appliances for producing the sugar?—Certainly not.

5378. Could the quantity of sugar be very materially

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Mr. James Corry—continued.

materially increased in a short time in the West Indies?—It could be very materially.

5379. Is there any tendency to that just now, or is it at a standstill?—It is at a standstill.

5380. You say that a good many of the estates are going out of cultivation?—No doubt that is so, and more must follow.

5381. What are the unsatisfactory relations which you refer to with reference to this country looking forward to the future, from those bounties if they are abolished?—I think that we shall become more and more dependent upon foreign production, especially beetroot production, and that when the competition of the cane sugar of our own colonies is at an end, we shall have the prices very materially raised upon us. I cannot see any other issue.

Mr. Eugene Collins.

5382. I think you said that you are interested in 300 or 400 estates in Barbadoes?—Three hundred or 400 estates in the West Indies altogether.

5383. Are those principally in Barbadoes, or where are they?—The largest number are in Barbadoes. In Barbadoes the estates are very much divided, and are much smaller than in Demerara, for instance.

5384. In Barbadoes what would be about the average acreage of what you would call an estate, because they seem to be very much divided?—They vary; there are some small properties of 40 or 50 acres, and there are others again of 800 acres, so that it is impossible to take an average.

5385. How is it with regard to those in which you are interested yourself?—They are of all sizes. We are connected with the very largest estates in the island, and also with some of the smallest.

5386. Naturally I suppose they would not be so divided and sub-divided; unless you had some difficulty in grouping them, you could not group them conveniently?—Occasionally that occurs. A man owning an estate finds an adjoining property for sale, and he buys it, and adds it to his own, and that process goes on.

5387. Does not that system of small estates lead to increased expense in the management?—No, I do not think it does. I believe that many of the small estates are most economically managed.

5388. You said that you had been doing all that was possible, in fact, to increase both the produce and also to effect the economies, so that by the result of those efforts you are enabled at present to produce at prices that are on the average, we will assume of 6*l.* or 8*l.* a ton cheaper than they were some 10 years ago?—I think if the present prices were to continue we should have great difficulty in many of the estates in keeping up the cultivation; but I think that the price now is below what it has ever been for sugar of a similar class, and we might hope that in the natural course of things there might be some slight improvement.

5389. Taking the prices, we will say, for six or eight years back at the average you have been mentioning, 6*l.* or 8*l.* a ton higher than the present prices, would you not have thought in those times that if the prices came down so much as they have come down at present, you would not have been able to conduct your manufacture?

Mr. Eugene Collins—continued.

—That I think is my evidence, that if the prices were to remain at this low point we should be obliged to abandon our estates.

5390. Taking yourself back, we will say, to six or eight years, if you had been told that those prices were reduced by 6*l.* or 7*l.* or 8*l.* a ton within the period of six or eight years, would not you have thought that it would be impossible to continue?—No doubt of it.

5391. In those olden times, six or eight years since, if you had had any supposition that the prices would have come down as they have done, you would have been so discouraged that, in all probability, you might have withdrawn your capital, to some extent?—We should have done so, undoubtedly. The process that is now going on would have been commenced, if we could have foreseen what you now put before us.

5392. Is the process to which you refer a process of abandonment, or process of economy?—Of abandonment.

5393. Is not it a natural inference to draw from the existing condition of the trade in the West Indies, that you must have practised greater economies within the last six or eight years, otherwise you would not be able to stand at all?—I have no doubt that we have done so to a greater extent, and that we have been economising; but notwithstanding all the economy, I am afraid that the result of those very low prices must be a loss instead of profit.

5394. Could you indicate in what direction those economies would have been?—No; I am afraid I could not say any more than this: that every man has tried to get the best labour that he could for his money, and to turn every advantage of the estate to the best account, but in what particular way I do not know that I could say.

5395. Do you suppose that the same amount of intelligence which has led to those economies does not exist at the present day?—I feel satisfied that it does.

5396. There are other great industries which are suffering to a great extent in recent times; we will take, for instance, as one of the great industries of this country, the Irish industry; we are aware that in the present time the production can be effected at quite one-third of the price that existed some few years ago; nevertheless the manufacture continues; may not that condition of things also exist in the West Indies; might not your necessities force you to greater economies, so that, notwithstanding the depressed times, you would maintain your ground?—I do not think it is possible that we should carry economies to that point, and I think that, taking the case of the iron industry to which you have referred, if we could trace distinctly the cause of depression which we thought ought to be removed, there would be no hesitation in this country in removing it, and that is the position of the West India industry. We can trace our depression to a specific cause, and we require that that cause of depression should be removed; the other difficulties we must meet, and endeavour to surmount.

5397. But you measure that cause, you see, by a specific amount, inasmuch as you say that the cause of the existing depression can be measured by a countervailing duty of something like 2*l.* a ton?—Pardon me; I have not said that, nor do I mean it. I think the evidence does not go to that

Mr. Eugene Collins—continued.

that point. It does not say that 2*l.* is the measure, but that the intention of this Government to impose a countervailing duty of 2*l.* to 3*l.* per ton would have such an influence that we should get rid of those bounties. That, I think, is the right effect of the evidence, and that is what is in my mind; I do not pretend to measure the effect of bounties. Indeed, they vary in different places, but I believe that the effect of imposing a countervailing duty of 2*l.* to 3*l.* per ton would be sufficient to check those bounties, wherever they may be.

5398. But at the same time, not to relieve the West Indian sugar growers to a very great extent?—We think that, supposing the bounties were done away with, we should know that we had only fair competition to meet, and that we must try to meet it, and we should hope to be successful.

5399. That is to say, with the advantage that would be rendered by the 2*l.*, you would be in a fair position to compete with other sugar producing countries?—I do not say that if the effect of our putting a countervailing duty of 2*l.* to 3*l.* per ton should have the effect of stopping the bounties, we should be encouraged to proceed, hoping upon fair competition to hold our ground.

5400. If you did not benefit by the 2*l.* duty to such an extent as to enable you to continue your industry, where is the need of making any effort at all in that direction?—I am sorry that I do not quite follow the argument.

5401. You would only admit that it is a benefit to the extent of 2*l.* per ton, and you will take the chance of any further benefits to result afterwards?—I think that if the imposition of a countervailing duty of some 2*l.* to 3*l.* a ton, and the effect of it should be to stop those bounties, we should, if we only had fair competition, be encouraged to take our chance, but I do not regard it as a question of 2*l.* per ton.

5402. Supposing that you do not limit it, but taking the fact of protection, or the word "protection," the advantage or benefit may be extended to the extent of 2*l.* per ton; in that condition you would not fail to go on with your processes if the growth of sugar and its manufacture in the West Indies?—I did not limit it to figures at all. I limit it to the principle; and I consider that if the effect of our imposing a countervailing duty should put an end to those bounties, we must take our chance as to what the prices might be. We are prepared to compete upon equal terms, and if we do sink under fair competition we must do so. Of course, our hardship is that we do not sink under fair competition, but by reason of a bounty which tells against us. I did not put it as a question of price.

5403. I will put it in this form; that with an additional aid of 2*l.* a ton, this unfortunate process that is going on at present in the West Indies, and for the last year or two, you think may be arrested; that is to say, the abandoning of the cultivation of the estates?—I do not think that the mere difference of 2*l.* a ton would have that effect, because we know perfectly well that the effect of the bounties is to make the price indefinite, which is not governed by natural laws, but by something artificial, the extent of which we cannot measure.

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Lord Frederick Cavendish.

5404. I understand you to say that your firm is in connection with 300 or 400 estates; in what way are they so connected; do they own any estates?—We own some in Barbadoes, some in Trinidad, some in Jamaica, and some in Demerara.

5405. In the other cases, in what manner are you connected with the estates?—We receive the consignments from the estates.

5406. And you advance money to enable the cultivation to be carried on?—Yes.

5407. You stated that there is the finest sugar machinery in the world in Demerara; why is the best machinery in the English colonies confined to Demerara?—The estates are upon a larger scale, and therefore you can try experiments there which you do not care to try upon a small estate.

5408. Judging by the exports of sugar from Demerara, the experiment has been successful in Demerara, has it not?—It has been successful to the extent of increasing the production; but I am not prepared to say that it has been successful to the extent of giving us increased profits.

5409. Taking the year for which we have returns in the statistical abstract of the colonies, is it not the case that the export of sugar from Demerara has risen from 1,300,000 cwt. in 1863, to 1,900,000 cwt. in 1877, or an increase of nearly 50 per cent.?—Yes; we have been increasing considerably in Demerara, but I am afraid I cannot say that it has been attended with profit.

5410. Would it be possible to adopt any system by which the small estates in the island might have the advantage of this improved machinery?—I do not think so, except to a very limited extent. The best net profits have unquestionably been made upon estates where they have not this expensive machinery.

5411. You do not consider the French plan of doing their work in a factory is a good one?—I do not think it would answer in the colonies; it never has answered in the colonies so far as it has been tried; but I hear, with regard to the French colonies, that until the engineers who furnished those machines were paid, things appeared to go on very prosperously, but I understand now that it is very much the reverse; that instead of paying dividends they are sinking money.

5412. There are very large old establishments there, are there not?—Yes, several.

5413. How large a proportion of sugar at Martinique and Guadeloupe is manufactured in those factories?—I am not prepared to say how much, but I know that there are several central factories in those islands.

5414. I understand you to say that the production of the West Indies could be enormously increased; how would the labour be attained?—So far as Barbadoes is concerned, we have abundance of labour. So far as Demerara and Trinidad are concerned, those colonies have made very excellent arrangements for immigration, and there is no reason why tens of thousands should not go there.

5415. In Barbadoes you have abundant labour, and is it not the case that nearly every acre in Barbadoes is cultivated?—It is to a great extent; but still we are improving and getting rather larger returns.

5416. You could not enormously increase the production

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production?—Not in Barbadoes, certainly not, but in Demerara and in Trinidad also by means of coolie labour, or Chinese, or other labour, we might do so.

5417. I understood you to state that since the slave trade had been stopped, you are able to compete with Cuba?—I am scarcely able to say that we were able to compete with Cuba, but we held our ground better.

5418. Is it lately that there has been this great stride forward which you mentioned in Cuba in the export of sugar, although they have had to undergo the same competition that you have with bounty-fed sugar?—They are working with slave labour.

5419. I understood you to say that since slavery had been abolished, you were able to hold your own?—I say that we do a little better than we were doing; but I have no doubt whatever that in Cuba, whenever they care to press their slaves, they can produce at a very low cost.

5420. You consider that slave labour is much more efficient and economical than free labour?—Undoubtedly, in the colonies.

5421. How do you account for the fact that the cotton crop in the United States is larger now, with a system of free labour, than it used to be with slave labour?—In the first place, I am not certain that it is, and in the next place, I have no knowledge of the Southern States of America.

5422. You stated that the crop of beetroot must always be a precarious concern?—Our experience is that root crops are always precarious, more or less.

5423. Then, upon the average of years you have a considerable advantage in competition with beetroot, inasmuch as you avoid those bad seasons?—I do not know that you can carry it quite so far as that. We have bad seasons too.

5424. I understand you to state that beetroot is much more precarious than the sugar cane is?—Yes; I think it is the experience of all parties that a root crop is precarious.

5425. You stated that if the sugar plantations were abandoned in our colonies, there would be no incentive to the negroes to work; but there would be the incentive of their not desiring to starve, I presume?—In the West Indian colonies one can exist almost without work; they are so very fertile. If you put a plantain in it grows, and food is produced in the greatest abundance. There is very little necessity for working for mere existence.

5426. But it is not so in a thickly inhabited island like Barbadoes?—I think I have stated that Barbadoes is exceptional. I think we may hold our ground in Barbadoes when we cannot anywhere else.

5427. I think I understood you to say that in Jamaica the cultivation of sugar has been rapidly diminishing?—Yes, from what I am told.

5428. Therefore you would presume that Jamaica would be most rapidly going backwards on all points?—It does not follow that it should upon all points. I believe that a proof of that was put with regard to the condition of the negroes. We do hear very sorry accounts of the condition of many parts of Jamaica.

5429. Is it not the case that between the years 1861 and 1871 the population of Jamaica increased by 60,000; that is an increase of about 15 per cent. in 10 years?—Yes, I believe it has been steadily increasing.

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5430. Is it not also the case that the imports into Jamaica in the years between 1863 and 1867 have been increased by 45 per cent.?—I believe you cannot take the imports into Jamaica as a test of the condition of the island, because Jamaica is, to some extent, a centre from which other parts are supplied.

5431. What other island is supplied from Jamaica, or what other colonies?—There is a great trade between Jamaica and various places in the Gulf of Mexico.

5432. Goods would not be landed at Jamaica, I presume, to be reshipped to South America?—I know that it was so; I am not sure that it is so at the present time.

5433. Is it not also the case that the exports have increased in the same interval of time between 1863 and 1877 by 40 per cent., in spite of the supposed rapid decline in the growth of sugar?—I do not know so much of the trade of Jamaica as I do of that of Barbadoes, but I believe that the exports were very much increased by the great demand that there was for logwood, and things of that kind. I know that the sugar cultivation was not materially increased.

5434. Is it not the case that the exports show a steady rise; in 1863 there were less than 1,000,000 £.; in 1864, 945,000 £.; in 1865, 912,000 £., and in 1867, 1,000,000 £.; whereas, in the last four or five years, they have varied from 1,400,000 £. to 1,500,000 £., showing an average increase therefore of from 40 to 50 per cent.?—I think the figures will require to be analysed, for us to see what the exact bearing of them is.

5335. Is it not also the case that the revenue has increased between the years 1863 and 1877 from 290,000 £. to over half a million?—I believe that at the present time the revenue is falling rapidly. There have been communications passing with the Colonial Office upon that subject.

5436. What I have mentioned appears by the Statistical Abstract?—But that does not go beyond 1877, I think.

5437. It appears that in 1863 the revenue was 290,000 £., in 1864, 330,000 £., and so on, while in the last three years that we have returns for, the revenue is 590,000 £., 570,000 £., and 532,000 £.?—Yes, and it is rapidly declining, I believe. I think that the recent returns have been very unsatisfactory.

5438. An increase of upwards of 80 per cent. is not an unsatisfactory state of things in 15 years, is it?—It does not always follow that the public revenue is an indication of prosperity. I remember going up to Mr. Hawes, when he was Secretary for the Colonies, and mentioning the sad state of British Guiana at that time, and he turned to figures, as you have now done, and said, "I see by the public revenue that you have increased so much." The fact was that the public revenue was increased by a tax upon provisions in consequence of the failure of the crops of the colony; and there may be some circumstances to explain this difference in the public revenue in Jamaica.

5439. Is it not also the case that the debt has diminished by upwards of 100,000 £. in the same 15 years?—I do not know. I have not looked into the question of the state of Jamaica particularly.

5440. Should

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5440. Should you say that a country of which the population is growing rapidly, of which the imports and exports are also increasing at the rate of about 40 per cent. in 15 years, and in which the revenue has increased by 80 per cent. in the same interval of time, shows symptoms of rapidly retreating?—No, not upon a statement of that kind.

5441. Are not those all figures that may be relied upon?—They may be, but, as I stated, they admit of explanation.

5442. What proportion of the present depression of the sugar trade do you consider to be due to the bounties, and what proportion to the general depression of trade?—I do not think that anyone could answer that question.

5443. Do you consider the depression in sugar as great as it is in the average of our manufactures?—I think it is quite possible that there may be great depression in other articles; and if you could trace that depression to a specific cause, if that cause was one which might easily be removed, I should say remove that cause, whatever the depression might be.

5444. Should you not say when you see a depression in all other articles on an average as great as that in sugar, it might well be that the causes which had produced this great depression in other things had also acted in a like manner upon sugar?—I should endeavour to find out the cause, and, if I found out the specific cause, I should endeavour to remedy it if it admitted of the remedy.

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5445. You have formed no precise opinion as to the effect of these foreign bounties on the price of sugar?—I formed an opinion as to the effect; but I do not think that anyone could estimate the measure of the effect.

5446. You could not evaluate it?—No, you cannot say that it is so many shillings.

5447. But you think that 2*l.* a ton would be insufficient to compensate for the injury done?—I think, as I have already stated, that a countervailing duty of 2*l.* or 3*l.* a ton might have the effect of stopping the bounties, and then we should be upon fair and equal terms; but I do not consider that it is a question of 2*l.* a ton or 2*l.* 10*s.* a ton; I do not think that you can measure the effect precisely.

5448. How could a countervailing duty stop the operation of the bounties, except by restoring the price to what it would have been without the bounties?—I do not think that you can very well go into the question of price, because that must be determined by many other circumstances; but when you do know that the price must be prejudicially affected by a bounty, then it seems to me that it is a matter of right to remove that grievance.

5449. But you do not propose to impose an absolute prohibition upon the importation of bounty-fed sugar?—I am not proposing to impose an absolute prohibition, although I have heard it suggested.

5450. Do you approve of the suggestion?—I do not know that I should go that length, except under circumstances perhaps different to what obtain at present. I think that the proposal to put a countervailing duty might have the effect of stopping the bounties, and bringing about an arrangement which would place all the parties again upon a fair footing.

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5451. If you are not going to prohibit absolutely and you want to impose a duty, that duty must have some relation to the bounty, or to the effect upon the bounty upon the price here?—Some general relation, but in all these matters there never can be mathematical accuracy. We have found, in former instances, that it is not necessary to go very precisely into figures.

5452. It may not be mathematically accurate, but you must form some calculation?—I think that the countervailing duty of from 2*l.* to 3*l.* a ton would be sufficient to get rid of the present system.

5453. I thought, in answer to the honourable Member for Kinsale, you said that 2*l.* would be insufficient?—No, I purposely guarded myself against any remark of that kind.

5454. You think that the ultimate form of curing this evil is refining sugar in bond?—It seems to be generally considered that if refining in bond were adopted universally, then there would be no occasion for allowing drawbacks, and that there need not be any concealed bounties.

5455. But it has been put before us that a countervailing duty is only to be a power kept in reserve in order to compel refining in bond?—I do not think that the inference is altogether correct. I think the object arrived at has not been simply refining in bond. The object aimed at is to put an end to the bounties so that we may all be on a fair footing.

5456. Would it satisfy you by refining and manufacturing in bond?—I would rather leave it open to the refiners, especially, to devise any particular course. I would rather confine myself to the general idea, that if we were to show that, in the event of the bounties being continued, we should meet them by a countervailing duty, the means would be devised of putting a stop to them.

5457. But we are here supposed to be engaged in a practical inquiry leading to a practical conclusion, and the line of argument which has been laid before us by former witnesses is this, that with any scale of duties not involving refining in bond, you would certainly have bounty mixed up with the allowance for drawback, so that that is inevitable?—Yes, it must be so.

5458. Therefore the only way of getting rid of the bounty is to adopt refining in bond?—Manufacturing and refining in bond.

5459. And in order to compel other countries to adopt the system of refining in bond we threaten them with the imposition of a countervailing duty?—I scarcely follow it in that way, because it may be very true that in carrying it out the suggestion of refining in bond may be the best, but that is not the principle upon which we propose to act.

5460. You would impose a countervailing duty independently?—I would impose it in such a way that the parties shall be recouped for refining in bond, certainly; if that is the only means of preventing bounties being allowed, by all means let that be the course adopted.

5461. Supposing that were adopted, the countervailing duty would drop?—If all countries were on a fair and equal footing, and no bounties were allowed, I do not think that we ought to impose a countervailing duty.

5462. But with a system of refining in bond there could be no bounty, could there?—I am not

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not prepared to say that there could not be; I should think there could be; but that is a matter which I would rather leave in the hands of experts.

5463. Supposing that sugar were brought into this country or any other country, could not they refine the bonded product and send it out again, no duty having been imposed on the way, and thus remit the result to the other country to which it is sent absolutely free from the suspicion of any bounty?—I quite agree to that extent there being no duty chargeable, and no drawback allowed; there being no operation of that kind, undoubtedly there would not be any scope; but I think that your former remark went a little farther than that, as to whether there might not be some other means.

5464. I thought you denied that refining in bond would do away with the suspicion of the bounty?—No, I do not say that.

5465. If refining in bond is adopted there could be no bounty?—So far as that goes there could not be.

5466. Then you would join in recommending to Her Majesty's Government the policy of inducing other countries to join in refining in bond?—Yes.

5467. Do you think that refining in bond is a simple process?—They have found it a simple process in France, manufacturing in bond.

5468. But they have not refined in bond, have they; they have manufactured, but not refined?—That is so.

5469. Do you think that experience proves the simplicity of it?—Yes, I think there would be just as much facility in refining in bond as in manufacturing in bond.

5470. Have you any practical acquaintance with the operation of manufacturing in bond in France?—Only what one has read and heard at different times. I have made inquiries when I have been over in France, and have had questions answered, but I have never taken any actual part either in manufacturing or in refining.

5471. You have in former years expressed a strong opinion upon this question of refining in bond, I think, have you not?—Yes, I did as far as it applied to this country.

5472. You held that here, at all events, it would be impracticable?—Not impracticable, but it would be costly, and it would be a means of evasion.

5473. I think you gave some evidence upon that point before the former Committee?—Yes, I did.

5474. You said then: "The effect of refining in bond would be to saddle the country with an enormous cost for Excise officers, amounting, perhaps, to from 250,000 £. to 500,000 £., and to open a door to fraud, whereas the present system is carried out with tolerable accuracy at a cost of 2,500 £. a year, without the possibility of fraud." You adhere to that still?—Yes, as matters were then contemplated, because that supposed that every place where sugar was imported there were to be refineries established, however large or however small they might be, and that there was to be an opportunity to each party of refining in bond. We know that supposing refining in bond to have taken place in this country, where there were heavy duties, it would have been essential to watch every one of those places, and to have

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a staff of Customs or Excise officers at every refinery.

5475. Are you going to couple the suggestion of refining in bond with a recommendation of the process of refining in a few select factories?—No.

5476. Would not that objection which you think would be so weighty in respect to ourselves be of equal weight with respect to France and Germany?—No; because there would not be the same danger in France. In France they legislate in a very different spirit. There would not be the same number of refineries in France as we might have had here under the scheme that was proposed.

5477. You also pointed out at that time that the effect of refining in bond would be very injurious to certain of our colonies which sent in sugar in a state fit for consumption; do you adhere to that opinion still?—I do not remember the exact terms. I should like to have the whole of the sentence read to me.

5478. It is in Question 5963, where you said: "The effect would be to exclude all sugars which are now brought here fit for consumption without going through the refineries, from Barbadoes, especially; the import from Barbadoes amounts to nearly 50,000 hogsheads of sugar, nearly all fit for consumption; now either that must go through the refineries, or it must compete with double refined sugar paying only the same rate of duty?"—Yes, I upheld the system of graduated duties, and the effect of that would have been that the refined sugar would have been virtually passed at the same rate of duty that we should have been paying for sugar mixed with other substances.

5479. If you had refining in bond you would only have one duty on sugar?—Yes; if you were to have refining in bond and the manufacture carried on as it is in France that would be so. There need be only one rate of duty upon sugar.

5480. Therefore if France imports sugar from French colonies which is not refined loaf sugar, but which is still so refined as to be fit for consumption at once, that sugar would be exposed to unequal competition?—Unless you had a graduated scale of duties.

5481. You admit that that could have had nothing to do with sugar refined in bond?—So far as sugars going to the refiners were concerned, but it does not follow there might not be a graduated scale for other sugars fit for consumption.

5482. Refined in bond, together with a graduated scale, otherwise how could you deal with the country exporting?—We had it virtually in this country, because there were refiners working in bond at the same time that we had a graduated scale of duties.

5483. Exclusively for exportation?—Refining in bond for exportation.

5484. You did not propose to press it upon other countries?—No.

5485. So that the difficulty that you apprehended with respect to ourselves would apply to other countries?—I do not know that that follows, because our system was very complicated at the time.

5486. I see you were aware at that time, in 1862, that the French system gave a bounty to exportation?—Yes, I believe that that was so.

5487. Will you refer to Questions 6092 and 6093

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6093; do you adhere to the opinions there expressed as to the frauds that might be committed?—I may mention that just about that time discoveries had been made with regard to the Whitechapel frauds with respect to spirits, and I spoke here under the influence of that information, and I think you will find, farther on, that that question was entered into. It was found out that in the distilleries in Whitechapel they had succeeded in defrauding the revenue, and with an article like sugar, which was valuable in every shape; I thought it more probable that there might be frauds in sugar even than in spirits, for I think it was about that time, and I spoke under that influence.

5488. Just now, in answer to my question, you said that you did not think you gave evidence that refining in bond was impracticable, only that it would involve some risk of fraud and great expense?—Yes.

5489. You gave evidence that it would lead to fraud, and be very expensive, but not necessarily impracticable; that is your explanation of the evidence which you gave?—I do not remember the questions which I may have answered.

5490. I am speaking now of my question, which you answered at the beginning of my examination to-day; in referring to former evidence, you said that you disclaimed the notion that you had given evidence that refining in bond was impracticable, but you concurred in the evidence that it was costly, and likely to lead to fraud?—Yes, I think that would be the effect of my evidence.

5491. Will you now look at Question 6142; there are four questions which follow one another, put by Mr. Cardwell, the Chairman of the Committee; in summing up your evidence, "Upon the whole your impression is that refining in bond would obtain no useful object, unless it took away the whole graduation of the duty;" are you still of that opinion?—Yes.

5492. "And if it did that it would not be so fair as a system which kept the graduation of the duty;" are you still of that opinion?—Yes.

5493. "Your opinion is that it would be so difficult as to be almost impracticable;" are you still of that opinion?—Almost impracticable I should say under the circumstances in which we were at that time.

5494. You are prepared to recommend to foreign countries to adopt a system which should be injurious to the importation of sugar of different qualities, which should be likely to lead to fraud, and which involves so many difficulties as to be almost impracticable?—The circumstances are not at all parallel. The circumstances of the two countries are so different that the one has no bearing upon the other.

5495. We are speaking there of many countries, half-a-dozen countries?—Other countries, continental countries; and besides which the circumstances are very different now from what they were at that time.

5496. If refining in bond had been then adopted it would have affected yourself?—Yes, it might have done.

Mr. Alexander Brown.

5497. I think you said in your examination that the competition between cane sugar and Austrian beetroot sugar is now very serious on the part of the West Indies?—I have not 0.104.

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mentioned Austrian sugar. I have mentioned that the sugar upon which bounties are allowed does compete prejudicially to us.

5498. We may take it that the competition between cane and beet sugar operates prejudicially against West India sugar?—There may be competition between beet sugar and cane sugar, no doubt.

5499. But the effect of that competition is to lower the price, of course?—Yes, to a certain extent; that would depend very much upon the total supply of the two articles and the demand for them.

5500. Has the price been lowered here?—Yes, the price of sugar has fallen.

5501. Do you think that that is entirely owing to the competition between beetroot sugar and cane root sugar?—No.

5502. What are the other causes?—Various causes; I think that the stock being rather more than is wanted at the present time, and the general depression, have had an influence.

5503. That is to say, the general state of commercial depression which we have passed through in the last three or four years has tended to lower the price of sugar more; are there any other causes?—There is no doubt that the price of sugar has been affected like other things; but that does not touch the matter that we bring forward, that we are specially injured by something that we consider might be remedied.

5504. But we must consider and judge of how far the fall in the price of sugar which injures the West Indies arises from the depression in trade, which is general, or from the foreign bounties, must we not?—I think you may consider that both causes are in operation.

5505. If the one cause is more in operation than the other, of course this Committee will have to consider that cause fairly and thoroughly?—It might be that one of the two causes you could remedy, and that the other you could not.

5506. But supposing that the cause were the depression of trade, surely it would not do for us to suggest a countervailing duty which would not affect the depression of trade?—If you could prove that the cause of the decrease was owing altogether to the depression of trade, and that the effect of the bounties was nothing at all, we should have no ground for complaint.

5507. You would have no case, in other words?—Clearly.

5508. Do you not think that the depression of trade has a great deal to do with this matter?—I think it has had something to do with it; but I do not think that it touches the point that we are considering.

5509. We find, from the statistics quoted by the noble Lord, that the imports and exports of Jamaica, the revenue and other things, have been increasing, and the debt diminishing; that being so, do you think that we should consider that we should consider that the system of bounty-fed sugar had injured Jamaica materially?—I think that the two things might perfectly run together; I think it is quite possible that Jamaica might be holding her ground, or even advancing; I suppose that such a state of things might be possible, and yet that the whole sugar interest of the West Indian colonies should be damaged by the French and Austrian system.

5510. But then you come to make your case here, and state that the sugar estates are going out

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out of cultivation in the West Indies, and are being ruined, and when, on the other hand, you find that this state of affairs exists, namely, increased imports and exports, and a diminution of the debt of Jamaica, surely those two statements cannot well run together?—Surely in taking Jamaica you are taking just one isolated place which has very little to do with the supply of sugar to this country; unhappily, Jamaica sends very little; it is a question, if you are to measure it by the quantities of sugar being now sent, Jamaica would have very little to do with it. The other colonies send so much more. I am sorry to say, Jamaica, which in my days supplied us so freely, now sends very little.

5511. Supposing we were to make the suggestion of a countervailing duty, of course that would tend to check the production in those countries against which we impose the duty, would it not?—Not necessarily.

5512. Why so?—Because if they could compete with us on fair terms we would be ready to do so; if they only competed with us on fair terms, there is no reason why the beetroot production should not go on.

5513. If you put on a duty against the Austrian and French raw sugars, would not that have the effect of reducing the cultivation of French and Austrian raw sugar?—That does not follow.

5514. How would a countervailing duty help the West Indies?—Because if we are to compete upon equal terms, we must take our chance; but when we find that there is a specific injury being inflicted upon us, it is natural that we should claim to have that injury redressed.

5515. Then you ask to have a duty put upon Austrian raw sugar, which is intended, practically, to stop competition, or make the competition on equal terms; supposing it had not that effect the competition would still remain on what you call unequal terms?—If you found that in attempting to redress a grievance, that the efforts that you made were ineffectual, you would go farther if the grievance was substantially proved.

5516. If this duty of 2*l.* a ton did not put the Austrian trade on a fair footing with the West India trade you would go farther and ask for a farther duty?—That depends. I think it is quite sufficient to deal with the question that we have before us.

5517. But we have to consider not only the case as you put it, but the question of the effect of this duty, and I want to get out this; supposing this duty, which you have recommended to us of 2*l.* a ton, fails in its operation, what would you propose then; you have just stated that you would go farther. I presume by that you would increase the duty?—That does not at all follow. It is more a matter of principle than of price, more a matter of principle than of the mere rate of duty. If you found that the system of bounties was inflicting a grievous injury upon the industry of this country, I think it would be right to take into consideration the means of redressing that injury. If you found that you had redressed the injury to a certain extent, and then if it were proved that there was still a great injury, it would be quite right to take that into consideration, and to consider that the industry of this country has been most prejudicially affected.

5518. Then, of course, you are not prepared

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to say that a duty of 2*l.* a ton would be an injury which has no effect upon the industry of this country?—What I have stated is this, that I think if this country were to decide upon imposing a countervailing duty of say 2*l.* or 3*l.* a ton upon sugar which had received bounty, it most probably would have the effect of putting an end to the system. I think that that would effect my purpose, and at any rate it seems to me to be the right course to take.

5519. You say "most probably," because you think that other countries will refine in bond?—Yes, I think that other countries will refine in bond.

5520. Why?—Because I think that the foreign producers would be very glad to have access to this market.

5521. And therefore, in order to avoid the duty, they will refine in bond?—I think that, in order to avoid the duty, they would put their trade upon a fair footing, and if refining in bond would have that effect, refining in bond would be the course to take.

5522. But it is stated here that there is no other system by which those duties would be put an end to?—That may be so, but I would rather not pledge myself to that, because I have known instances where it has been said that only one course would be operative, and it has been found that something else would answer better, and therefore I would rather not pledge myself to that.

5523. Supposing that the course of refining in bond is recommended to those two countries, you do not see any very great difficulty in carrying it out as you said in answer to the honourable Member for Liskeard, when you were examined upon that point?—I have explained to the honourable Member that the circumstances of the country are so very different that there is no parallel at all between the two cases.

5524. Take the case of any country that grows some cane sugar, and also imports some cane sugar; upon the imported cane sugar there is a duty to be paid; how is it possible in such a country as that they could refine in bond?—All this would be a matter of arrangement with the Custom House officers. I see no difficulty in it.

5525. Let me carry you one step farther; if they take some cane sugar which is home grown, the home-grown sugar being free from duty, and some sugar which is foreign grown, how can you refuse the refiners of that sugar to have it all free from duty?—It must go in upon the same terms and come out upon the same terms.

5526. Would it not come to this, that you would have to have two refineries?—No.

5527. Why not?—Because it is perfectly easy to let sugar go in just upon the same footing. I do not care whether it is produced on one spot or whether it is produced on the other; it would make no difference unless you wish to draw a discrimination.

5528. If sugar came in from a foreign country it would have to come in in bond, would it not?—That would depend upon the Custom House arrangements of the country.

5529. Do not you see that one of two results would follow; first of all, either the home-grown sugar would be subjected to duty if exported for home consumption. Take the case of sugar coming from Louisiana and Cuba, and refined in New York; the Cuban sugar is subject to a duty

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duty of 10 l. a ton, and Louisiana sugar is subject to no duty at all; if that sugar, after being refined, goes into home consumption in New York, do not you see that if you mix the sugars to let them in for home consumption, the Louisiana sugar would have to pay duty, or Cuban sugar would be free?—All that is a matter of Custom House arrangement.

5530. Is that difficult of arrangement?—Not in the slightest degree; we have got over greater difficulties than that in this country.

5531. If you put on a duty of 2 l. per ton, would it add to the price anything like corresponding to 2 l. a ton?—I do not think I said that; but it would not necessarily follow.

5532. And therefore the effect of a rise of price, which would be less than 2 l. a ton, would not be to give full relief to the West Indian sugar proprietors?—I do not think that we can go into the question of price in that way at all, because you cannot determine it; the price would be fixed by many other circumstances. You cannot foresee what would be the effect; it might be that sugar would be brought in from some other places still lower, and we might have sugar lower instead of higher. On the other hand, even if that were not so, if there was no alteration made, and there were some failure of the beetroot crop, we might have prices much higher, and therefore you cannot take the question of price into consideration in that way.

5533. It is stated now that West India sugar is sold at almost below the cost of growing it in the West Indies?—Yes, that is so.

5534. You are going to put on a duty against bounty-fed sugars, to countervail their bounties; that would have the effect of raising the price upon your sugars somewhat?—It might do so to some extent.

5535. But if it does not raise it to the extent of the duty, then we fail to give that relief which the West India proprietors ask for?—That comes back to the point which I have put forward all along, that if we are treated upon the ground of fair competition, we must submit to our fate; but that is not so here; we have been, I will say, unduly depressed by those bounties, and if we could get rid of those bounties, then we must take our chance of what the markets might be.

5536. How are you to get over this difficulty: the bounty in France differs from the bounty in Austria; that is to say, the bounty in Austria is higher than the bounty in France; how are you to get over the difficulty of a uniform countervailing duty being put in the case of the sugars in those two countries?—As I have said, you never can be mathematically correct in those fiscal arrangements, but you must treat them as a matter of broad principle.

5537. Would you take the minimum of the two countries?—I would not impose such a duty as should be virtually protection, because this country has declared against it.

5538. You would take the minimum, in other words?—Yes.

5539. In that case the bounty of Austria would go on the same as before, to some extent?—Not the same as before; there might be some little bounty still left in Austria, but it would be so diminished as that it would probably have an effect of bringing Austria to terms.

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5540. That would depend, would it not, upon the amount of countervailing duty that you put on?—No doubt the amount of duty would have its influence.

5541. You said I think just now that you thought that the freedom of trade should be uninterrupted by any fiscal arrangements?—Just so; that the production should be carried on in the most economical manner, and that the natural course of prices regulated by supply and demand should not be interrupted by fiscal arrangements, as it seems to have been.

5542. I want to apply that definition to other systems of industry; take for instance the export trade, against which there is a very high protective tariff in foreign countries; is not that trade interrupted by the fiscal arrangements of foreign countries?—Yes; but what a foreign country may do within its own borders I am afraid is beyond our control.

5543. The argument which you lay down as regards sugar applies, does it not, to other things as well as it does to sugar?—We are dealing with the question of bounty, and not of protective duty.

5544. The effect upon trade is the same, is it not?—Not altogether.

5545. Why not?—Because in the one case you may be deprived of a particular market, and that is all; but here you are deprived of your own market by the bounties.

5546. Supposing the refining trade is ruined by the bounty given in France, and supposing the iron trade is ruined by the import duty put on in France, are they not both fiscal regulations of France to ruin our trade?—Certainly there is a broad distinction there. It does not follow because France should put a protective duty upon iron that our iron trade should be ruined.

5547. So far as the price is concerned there is no difference whatever, so far as the effect upon the home producer goes?—I really cannot agree with that; the things are entirely different. The question of a bounty which will destroy our industry in our own markets is a very different thing to a protective duty in any special foreign market.

5548. Has not it an analogous effect upon both trades?—No, certainly not. The effect of the bounty by depriving you of any market for your sugar is one thing, but the effect of a protective duty which deprives you of a limited market is a very different thing, besides which you cannot go into foreign countries and interfere with them till they touch you.

5549. Supposing that we had an important trade like the sugar refining trade killed in this country by the bounties in France, and the French put on their duties against iron, say from this country, the refining trade in this country is ruined by the French bounty, is it not?—Yes.

5550. You allow that the iron trade of this country is ruined, speaking comparatively, by the effects of the French export duty on iron?—Certainly not; they have got a certain part, but not the whole.

5551. But so far as regards iron, the same thing happens?—So far as regards iron, you do not get as good a price as upon the principle of free trade you ought to have, but that is all; you cannot carry it beyond that.

5552. You carry it to this extent, that whenever a country puts an import duty upon any article

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article manufactured in this country, that tends to diminish trade?—Yes.

5553. Then the effect upon the trader is very much the same in the two cases?—I cannot agree with you there, and it certainly is not the same.

5554. The effect upon the trader is to injure him; put it in this way: you do not admit, I suppose, the right of the French to put a bounty upon its refined sugar?—Each country must legislate for himself according to its views of its own interest.

5555. If you admit the right to put a bounty on its refined sugar, I suppose you admit the right of that country to put on what would be a countervailing duty against any imported goods that we send there?—No doubt, I think so far as right is concerned, France may legislate for herself, either as to bounties or as to protective duties.

5556. After all it being so very injurious, as no doubt it is, why would you injure the consumers of this country by putting on a duty which would raise the price in this country?—If you are to assume that the consumers and the producers are necessarily distinct classes, I might say it is a question whether you should do it. But inasmuch as if you assume the fact that 19-20ths of the people in this country are producers as well as consumers of one kind or another (and this is not a question of sugar only), I do not see that we are injured by a countervailing duty.

5557. The amount of fixed capital involved in the sugar trade is something like 600,000*l.*, is it not?—No, it must run to many millions.

5558. Then the effect upon the commerce of this country would be to raise the price?—Yes.

5559. That being so, you are prepared to make the consumers of this country pay for the profit of the British refiners and also for the West Indies?—I am willing that they should pay for their own benefit, because the money that we pay, supposing that we pay as we do, something like 6,000,000*l.* a year, to the beetroot producers, might be as well paid to our own producers, and I believe that we should have the whole of that 6,000,000*l.* available for our wages fund; I do not think that the advantage of a little reduction in the price of sugar is an equivalent.

5560. But beyond the argument, that you like as much money as possible to go into the colonies, beyond that point it makes very little difference whether the 6,000,000*l.* goes into France or to the West Indies?—I beg your pardon, other interests are affected; for instance, the coopers' interest and every producing interest in this country almost is affected.

5561. It comes to this, as I put it just now, that you are to ask the consumers of this country to pay an increased price for the benefit of those classes who are interested?—No doubt; I think it is to the interest of this country that it should rather pay a small additional cost for sugar than lose millions, which might otherwise be expended here.

Chairman.

5562. You know that subject has been a matter of negotiation for years past between this country and foreign Powers?—Undoubtedly, with a view to put a stop to bounties.

5563. By putting a stop to bounties you would raise the price to the consumer?—You might

Chairman—continued.

possibly do so for a time, but it would not be so ultimately; and more than that, you would have the advantage of securing a supply.

5564. If a countervailing duty would have the effect of stopping bounties, and the effect of stopping bounties is to raise the price to the consumer, the effect of the action of this and the last Government has been to raise the price to the consumer?—No doubt.

5565. You have simply taken one means of putting an end to those bounties, and those means having proved ineffectual, you would propose to take another and an effectual means?—That is so.

5566. But the result would be the same?—Precisely.

5567. You do not think it a benefit to the consumer that he should buy anything under cost price?—Certainly not; he always pays for it in the end.

5568. What is the natural result to the consumer, or anyone else, of being able to buy commodities under their least possible price of production?—The effect of it is to stop their further production, and thereby the prices become higher necessarily.

5569. And it drives capital out of the trade?—Unquestionably.

5570. It reduces the production; and the consequence of the reduced production is, ultimately, that there is no competition?—Yes, competition is destroyed, and then high prices follow.

5571. So that you agree with Her Majesty's Government and the last Government that it is not in the interest of the consumer that those bounties should continue?—Entirely.

5572. Therefore you deny that it is for the benefit of the consumer that they should continue?—I have not a shadow of doubt about it. I am perfectly clear upon that point.

5573. The honourable Member on my right put a question to you which was directed to show that the effect of this bounty upon our industry is only the same as a duty imposed by a foreign country; but I think you answered that that could not be so, because it would only have the effect of damaging our trade with the particular country where the duty was put on?—That is so; it is limited to that.

5574. The effect of bounties, on the contrary, is to destroy our trade altogether?—Quite so.

5575. But taking the question of duty, is it clear that an import duty is paid by the manufacturer?—No; that would depend upon many circumstances.

5576. Cannot you conceive very easily that in nine cases out of 10 an import duty is paid by the consumer?—It always used to be held in former days that the duties were entirely paid by the consumer.

5577. And therefore, although duty may be levied upon our manufactures, it does not necessarily follow that our manufactures are shut out of the market?—Certainly not.

5578. It may be that the consumer of that country pays an additional price; that is to say, he pays the price of the production of the article plus the profit and plus the duty?—Yes, that is so.

5579. Therefore in that sense it is a damage to the consumer in that country, but not a damage to our manufacturer?—Quite so.

5580. But

Chairman—continued.

5580. But the effect of a bounty, if it is continued, must necessarily be to drive the price below the lowest possible price of production, and, in consequence, the ruin of the trade?—No doubt it had that effect.

5581. Therefore you think that there would be a clear distinction between the case of a duty imposed by foreign countries upon our productions, and a bounty paid by foreign countries upon their own productions, for the purpose of extinguishing our trade in our own market?—Nothing could be more separate and distinct.

5582. The honourable gentleman on my right put to you some questions with reference to the effect which this proposed countervailing duty might have upon prices; and he put it to you that it would not help you, as a West India sugar grower, if the effect of the countervailing duty was not to decrease the production of Austrian sugar; but does it necessarily follow that if you put on a countervailing duty, it will decrease the production of Austrian or of any other beetroot sugar?—Certainly not. I stated distinctly that it might not have that effect at all.

5583. You would still allow the Austrian sugar to come into our market free to compete with cane-grown sugar?—Quite so.

5584. And it is quite possible that upon proper terms it might be able to some extent to compete with cane-grown sugar?—Yes, it might.

5585. If that were so, it would not necessarily follow that if the countervailing duty were exactly equivalent to the bounty, the Austrian production would decrease at all, would it?—No, certainly it would not.

5586. Although you are quite unable now, as a sugar grower, to compete with Austrian sugar, with the bounty, you are quite prepared to take the consequences of being able to compete with Austrian sugar if the bounty be countervailed?—Quite so; we must take our chance in that case.

5587. If you found that the amount of countervailing duty was not sufficient to ensure prosperity for your trade, you would not come before the Government to ask them to increase that countervailing duty, if by increasing that duty you were to uphold the smallest element of protection?—No, we are not entitled to claim it.

5588. You are quite prepared to take such a step with the English commodities as further reducing the price?—Perfectly.

5589. When you spoke about the non-desirability of any fiscal arrangements which should interfere with free trade, you spoke of such fiscal arrangements as bounties?—Yes.

5590. And the countervailing duty would have the effect of establishing a proper state of things which had been unduly interfered with by the bounty, would it not?—That is the very object of proposing to restore things to their proper position.

5591. It would restore absolute free trade?—Quite so.

5592. You have been asked some questions upon the subject of refining in bond; it is quite true, is it not, that in 1862 you expressed your belief that it was attended with some difficulties?—Yes.

5593. Do you know what length of time in 1862 it took for a refiner to convert his raw sugar into refined sugar?—I think it occupied about three weeks.

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Chairman—continued.

5594. How long does it take now?—They pass the sugar out very quickly.

5595. Would you say in two days?—I believe that a large proportion of the sugar goes through in two days, and sometimes in less.

5596. Was not a considerable portion of your objection in 1862 due to the fact that the sugar took so long at that time to manipulate?—That was one very serious objection. And supposing that the question had been raised as to whether the revenue was or was not being defrauded, it would have been necessary to stop the working of the house so as to work out all the products before it could be settled, and that was my expectation, that any house might be stopped at any time just upon the representation of a revenue officer that there was some fraud going on.

5597. You are aware that the French refiners have delegated certain gentlemen who have appeared before us from Paris to state that they are perfectly prepared to refine in bond?—Yes.

5598. Are you also aware that three French sugar manufacturers have appeared here and told us that so far from the Excise supervision in their trade being a difficulty it is an assistance?—Yes, they have made it quite an assistance.

5599. Therefore, are you prepared now to say, with additional experience and additional improvements, that the difficulties which you saw in 1862 no longer exist?—They do not, and certainly not in France.

5600. You are aware, are you not, that in 1872 the refiners, who, in 1862, opposed refining in bond, expressed their willingness to come under this arrangement?—They did.

5601. And not only so, but to pay the whole of the expense of carrying it out?—Yes, they did.

5602. The honourable Member for Liskeard read one or two questions and answers of the evidence which you gave in 1862, do you know Mr. Gadesden?—Yes, perfectly.

5603. And you know that he is an experienced refiner?—Yes, very.

5604. He was asked these questions: "Did you find much difficulty with the Excise in regard to the various processes at that time? A. No, I do not think they interfered with us." With regard to fraud, he was asked this question: "It" (that is the Excise supervision) "was limited to their being present to see and take stock of a certain quantity of sugar when it entered, and also to take stock of a certain amount of sugar when it was taken out; was not that all? A. That was it. Q. That was found a perfect protection to the revenue, as far as the Excise was concerned, was it not? A. I suppose so; I do not know that it was otherwise." Are you prepared to agree to that answer of Mr. Gadesden?—Yes, I think Mr. Gadesden was perfectly right in what he stated, but he had also stated that there had been other difficulties with the Excise at one time that had been got over.

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5605. At that time you differed, did you not, from Mr. Gadesden?—No, I rather agreed with Mr. Gadesden upon some points, although I did not agree with him upon all.

Chairman.

5606. Have you ever been a practical refiner?—No.

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5607. So

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5607. So that, in fact, the evidence which you gave in 1862 was derived not from your own experience, but from hearsay?—Yes, from hearsay, and the knowledge I had of the trade generally.

5608. And from similar information you are now led to believe that those difficulties are all removed?—Yes, they are, and the causes do not remain as they did at that time.

5609. At any rate you do not speak now, and you did not in 1862, speak from practical experience?—No, certainly not.

5610. You were asked some questions by the honourable Member for Liskeard about refining in bond interfering with the graduated scale of duties upon raw sugars, but is it not the fact that refining in bond is the most perfect system of graduated duties that you could attain, because you only pay a duty upon the exact amount of refined sugar which is obtained from the raw?—It accomplishes the very object of a graduated scale of duties.

5611. It accomplishes perfectly that which a graduated scale can never accomplish perfectly?—Yes, and perhaps you will permit me to explain that, by what Mr. James Wilson said when we were settling those duties. A Member of the Government, I believe it was the present Chancellor of the Exchequer, Sir Stafford Northcote, said to him something about a series of duties, but Mr. Wilson said, "Pardon me, I have only one rate of duty for sugar; I charge the same duty upon sugar wherever I find it, but I do not charge other things as if they were sugar." That bears upon the question of refining in bond, which accomplishes, I believe, the very object of a graduated scale of duty.

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5612. That is supposing that nothing but loaf sugar is made?—Supposing nothing but refined sugar is turned out.

Chairman.

5613. It does not necessarily follow that because you have refining in bond you should not also have a graduated scale for sugars that come in fit for consumption?—On the contrary, the two ought to go together.

5614. Although you would advocate refining in bond for all sugars that require to be refined, yet you can quite understand that alongside that there should exist a scale of graduated duties so as to affect the duties upon sugars which come in from the West Indies, and which require no refining?—Yes.

5615. You spoke about refining in bond as being, in your opinion, the best means of attaining the object of the abolition of the bounties; but with reference to any particular country, such, for instance, as America, which was referred to by the honourable Member for Wenlock, you would have no objection to any country which could show exceptional difficulty in refining in bond coming under some other system which would have the effect of abolishing bounties equally with that of refining in bond, would you?—That is exactly what I stated.

5616. Your object being not absolutely to refining in bond all round, but the abolition of bounties?—The abolition of bounties and refining in bond is the means which, in my mind, is the most effective.

Chairman—continued.

5617. You are aware that Belgium, in her Conventions with this country, has occupied a somewhat special position?—Yes.

5618. You are quite prepared to admit that there may be reasons why some countries should have occupied a somewhat exceptional position?—Certainly.

5619. With reference to the revenue of Jamaica, do you know what the revenue was in 1875?—I have not the figures with me.

5620. You may take it from me that the revenue in 1875 was 590,938*l.*, and in 1877 it was 532,788*l.*; that shows a reduction?—Yes.

5621. Are you aware whether there has been a reduction in the taxation between 1875 and 1877?—I am not aware of that. I have not gone into the figures in connection with Jamaica.

5622. But the revenue was smaller in 1877?—Yes. I do know that we have been memorialising the Government upon the subject of the heavy charges in Jamaica recently.

5623. Do you know in what year the heavy Austrian bounties began to tell more than another?—No.

5624. Has there been a large increase in the Austrian crop between the last four or five years?—Certainly within four or five years.

5625. Do you think that that has been much more felt since 1875 than it was before?—Undoubtedly.

5626. Do you know what the revenue of Barbadoes was in 1875?—In 1875 it was 132,123*l.*

5627. In 1876, what was it?—£.117,000.

5628. And in 1877, what was it?—£.121,000.

5629. So that there has been a considerable falling off from 1875 to 1877?—Yes.

5630. Have you the revenue of Trinidad?—Yes.

5631. What was it in 1874?—£.384,672.

5632. What was it in 1875?—£.341,619.

5633. What was it in 1876?—£.316,179.

5634. And in 1877, what was it?—£.310,338.

5635. That shows a gradual falling off since 1874, does it not?—Yes, it does.

5636. With regard to Jamaica, there has been a change of Government in Jamaica since 1866, has there not?—Yes.

5637. Do you consider that the revenue is much better collected since that time than before?—It is considered that very heavy taxes have been imposed, and that public works have been undertaken which would have been much better left alone.

5638. Then the taxation since 1866 has been very much increased?—Yes, very much increased from that time.

5639. The revenue is also very much better collected, is it not?—Yes; it has brought in a larger return.

5640. Have there been any complaints of late years in Jamaica upon that subject?—I am not aware of any special complaints.

5641. Do you know what the proportion of exports to the population of Jamaica is?—No, I could not say that.

5642. As to the exports of Jamaica, it is quite true that the exports have largely increased, but is that due to the increase in the export of sugar, or on the export of logwood?—There was a very large export of logwood at one time, and that increased the exportation very materially.

5643. Do

Chairman—continued.

5643. Do you know, as a fact, whether it increased from 41,000*l.* in 1863, to 298,000*l.* in 1876?—I have no doubt that that was so.

5644. Therefore, that would account for a very large portion of the increased exports?—Yes, that was quite an exception.

5645. Are the logwood exports increasing, or diminishing?—They have not been so large recently; they are cut down so much.

5646. Do you know what proportion the exports of Jamaica, that is sugar and rum, bear to the other exports?—Quite one-half.

5647. Therefore, any increase in the exports of sugar and rum would have a very important effect upon the people?—Very.

5648. An honourable Member asked you as to whether the general depression of trade

Chairman—continued.

does not account very materially for the decrease in the growth of sugar in the West India colonies, but, as a matter of fact, was your sugar growing increasing when this country was in a great state of prosperity?—No.

5649. Does the decline in the export, or the stationary nature of the export, only apply to the last year, or two years, when this country has been in a state of depression, or does it apply to years previously?—To years previous.

5650. When this country was in a state of prosperity?—Quite so.

5651. So that the depression in this country, and in the world generally, does not, in your opinion, account for the decrease?—Certainly not; that has not been the cause.

Sir LOUIS MALLET, C.B., called in; and Examined.

Mr. Alexander Brown.

5652. You are Permanent Under Secretary of State at the India Office at the present time?—Yes.

5653. And previous to that you were at the Board of Trade for many years?—I was.

5654. You have had many years' experience of commercial legislation in this country?—Yes.

5655. With regard to the sugar question also you have had experience on that subject in which the Committee are particularly interested?—I was one of the Commissioners who originated the original Convention of 1864, and who attended the first Conference in 1863.

5656-7. After that time also you have had a good deal to do with the matter, having been to the Conference at the Hague, I believe?—Yes; twice at the Hague, and in Belgium.

5658. You have also been consulted by the Government in the course of your various negotiations?—Yes, I have.

5659. To take you back, first of all, to the Convention of 1864; can you tell us anything about the history of that Convention and its object?—The origin of that Convention was in 1863; at that time M. Fould was Finance Minister in France, and he wrote to Mr. Gladstone. He was a very good financier, and he was extremely distressed and harassed by discovering a fact which had been constantly impressed upon him by a very able man, who was then Director General of Direct Taxes, M. Barbier, that he was losing a very large sum every year in the payment of bounties on the exportation of refined sugar. He, like a wise man, endeavoured to induce the refiners to abandon this advantage, but he was met by the argument, that so long as other countries, and notably England, Holland, and Belgium, imposed similar bounties on the exportation of refined sugar, it was extremely unfair to cut off that advantage from the French refiners. He wrote to Mr. Gladstone to represent the state of things, and to say that under those circumstances, as it appeared that all those four countries were suffering from the same cause, a cause which was admitted to be an evil in every country, and which they were all naturally and equally desirous of removing, he thought it very desirable, if possible, that they should concert some means both of ascertaining the facts, about which there

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was the greatest possible dispute, and if possible, also, some means of remedying this international nuisance, which it had become. Mr. Gladstone and the Government of that day, after consideration, determined to meet this invitation. I should say that this was a very few years after the conclusion of the Treaty of 1860, which had given rise to the best possible feeling between the two Governments and between the two administrations. It was a time when the French Government appeared to be sincerely desirous of prosecuting the liberal policy which they had begun in 1860. The administration was animated by the same spirit, and every representation made by the British Government was always met in the most friendly manner; and it was just one of those invitations which it appeared to the Government of the day it was only right to accept. That was the original motive of the Conference at Paris in 1863, the object of the British Government being in the first place to vindicate themselves from the charge which had been brought against them by the French refiners, they being under the impression that they were not in the habit of giving bounties upon exportation. The British administration which had contrived a very carefully graduated scale of duties for the importation of raw sugar into England, had a strong opinion that there were no bounties upon exportation, at the same time it was quite right when this charge was brought against them by a friendly country, particularly when it was urged as a reason for not removing the bounties on French sugar, to endeavour, if possible, to satisfy the French Government as to the facts of the case. A conference, therefore, was held, partly with the view of ascertaining the facts by impartial inquiry, that is to say, by means of official men representing the different Governments, who would in concert examine the same facts, and perhaps arrive at the same conclusion. And, in the next place, possibly in the event of the examination leading to the conclusion that bounties did exist, and having ascertained the extent to which they existed, to devise, if possible, some means of removing them. That was the motive of the conference so far as I recollect it. That conference was followed by another conference in 1864 which led, as the Committee is well aware, to the Convention of that year.

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5660. You,

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5660. You, of course, were present at the Conference of 1864?—I was present at the negotiation of the Convention of 1864.

5661. What was the policy of that Convention of 1864; it was to get rid of those bounties, was it not, if they possibly could?—The policy of that Convention, I should say, was the result of a sort of preliminary comprehension of the facts, which had revealed divergencies of opinion which it was quite impossible to clear up without explanation. As the Committee are aware, that Convention was followed by a practical international experiment carried on at Cologne. The French Government were not satisfied with the statement of facts given by the British Commissioners. The British Commissioners represented that our system of duties and the drawback were so arranged, that they did not believe that any important bounty was given; but that statement was not accepted by the French. They were quite unable to understand how it was possible with such a scale of duties as we had at that day, to avoid a bounty on exportation. It was one of those things which it was quite impossible to prove except by actual experiment. The Paris Convention was, as the Committee knows, from the Convention, to record the degree of agreement which had been arrived at in the Convention itself, and a provision was made for an international experiment, which took place the subsequent year.

5662. They laid down a system of return which afterwards was altered at Cologne?—That, I think, was the following year, or the year afterwards. The actual basis of the experiment was established by the conference in London, which I think was in the following year 1865, and then the conditions of the experiment were determined.

5663. Then you may take it that the Paris Convention was to try and do away with any bounties which might exist in the various countries?—No doubt that was the intention of the Convention.

Mr. Courtney.

5664. The second Article of the Convention is this: "Immediately after the exchange of the ratifications of the present Convention, steps shall be taken by common agreement at common expense, under the joint control of agents named by the four contracting Governments, and in such locality as may be mutually agreed upon for making practical experiments in the refining of raw sugars in each class, and as far as possible of different origins, in order to determine their real yield"?—That is the one I meant; it is the 2nd Article.

Mr. Alexander Brown.

5665. You think that the Convention, so far as it has been in force, has been fairly acted up to for many years, but has never been completely carried out?—That Convention was found immediately, to put it broadly, quite impossible of execution in a literal sense; it was not even executed literally by the French, from various causes which appear in the correspondence. They pleaded one cause or another successively, and it was found quite impossible to compel anything like a literal execution of the Treaty. I should say that in the course of those few years over which those successive conferences spread,

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the state of France changed very materially. All sorts of political difficulties arose. The Government was changed, the men were gone who had originally made it. There was a very different feeling in the administration, and things became at last, as we all know, very unsatisfactory. Conference after conference was held, and a full and complete execution of that Convention never was brought about.

5666. The result has been that up to the present time there has been what I may call inaction on this matter; there has been no special action taken by France and other countries to carry out the policy of the Convention?—One cannot say that France took no steps to carry it out. All I meant to say was that it was not completely executed.

5667. There have been various conferences held upon a satisfactory basis as between the various countries, but has not yet been completely executed?—The object of the Convention, namely, the entire abolition of the bounties in the 4th clause, has certainly not been accomplished. Although it is only right to add that there is reason to think that to a certain extent it has been accomplished, there is more that has not been completely accomplished. I may perhaps state that my own conclusion, after attending all those conferences, was that it was in the nature of things impossible that it should be accomplished, that a literal absolute correlation between bounty and drawback could ever be established by any method, under any system in which duties upon importation existed at all. Perhaps when they are very low in amount, the difference between the amount of duty paid and the amount of drawback given, is a matter of practical unimportance.

Chairman.

5668. What was your opinion at the time as to the Convention?—At the time that I went to the first conference I really had no opinion upon the subject. I went rather with the view of inquiring and ascertaining facts than with any deliberate opinion or policy.

5669. I mean after it was agreed to?—At the time it was agreed to my feeling was this: I thought it was very imperfect, but that I hoped and believed at that time that it was a step toward something better, that we had made a beginning towards attaining the result which we mutually desired, and that little by little we might succeed in bringing about that more complete fulfilment of our intentions.

Mr. Alexander Brown.

5670. You are aware of the object which this Committee has now before it, which is, to inquire into the condition of certain branches of the sugar trade, and you are aware, I presume, of what is stated with regard to those branches of the sugar trade?—I have been led to believe that the object of the Committee is to inquire into the condition of certain branches of the industries connected with the trade in sugar, and as to the causes of the alleged depression which exists in those industries, and I naturally would direct my inquiry in the first place into the condition of the trade as a whole, and, certainly, looking upon the trade as a whole, there does not appear to be any evidence of depression when measured by the test of the importation of

raw

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raw sugar, or the importation of refined sugar, or the export of British refined sugar. In all three of those branches of the trade, which comprehend the whole of the foreign trade, one sees a very important and a very remarkable progress in the course of the last 15 years. Therefore, evidently it is not in consequence of any general and permanent want of prosperity in the sugar trade of the country that an inquiry becomes necessary; that, I think, cannot be denied; but it is nevertheless alleged, and it is perfectly possible, that particular branches of those industries may nevertheless be very seriously depressed, and may be suffering from causes which it may be possible to remove; that, I presume, is the object of the present inquiry, and it is on those points which I am quite prepared to answer any question within the range of my own experience which the Committee may like to ask me.

5671. First of all, can you give us any information as to the general sugar trade, taken as a whole?—I have a table here which of course is quite at the disposal of the Committee, if they have not already got it, which I presume, they have; it is a table of the imports of raw sugar, and of refined sugar, also of the exports sent into and from the United Kingdom in each year from 1862 to 1877 inclusive. The figures for the year 1877-78, can be easily added, but I have not been able yet to get them. This table is taken from the annual statement of trade and navigation, the Board of Trade Returns; I obtained the figures from the Board of Trade Returns. Without going into each year, which will take up unnecessary time, I may state broadly that in the first of those years, I find that the importation of raw sugar was something under 10,000,000 cwt., the exact figure being 9,884,000. This amount goes up progressively, I may say, with occasional fluctuations of no great importance until the year 1875, when it reaches the amount of 16,264,000 cwt. of raw sugar. In 1876 that amount is reduced to 15,612,000 cwt.; in 1877 it rises again to the largest amount ever known, 16,620,000 cwt.; that is the case as regards raw sugar. The figures for 1878 I have seen, though I have not got them in my hand, but I will add them to the table before I put it into the Committee's hands; I believe that the 1878 figures are something below 15,000,000. There has been a decline again in the year 1878 of a million and a-half from 1877; that is for the raw sugar.

Chairman.

5672. Do you know if the loaf sugar and the other refined sugar is separated there at all, or whether it is the whole thing combined?—They are both included. So far as I am informed, there is no distinction; whether the Customs have the means of distinguishing them I really cannot say.

Mr. Alexander Brown.

5673. Will you take the figures for refined sugar?—The imports of refined sugar have grown up from 324,000 cwt. in 1862 to 3,429,000 cwt. in 1877, which is the largest year.

5674. That is the import of the raw and the import of the refined; can you give any information about the export?—I have here a table for the exports. The exports of raw have gone up from 240,000 cwt. in 1862 to 476,000 cwt. in 1877. 0.104.

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1877. The exports of British refined sugar have gone up from 213,000 cwt. in 1862 to 1,119,000 cwt. in 1877.

Chairman.

5675. Can you give us the figures for some years back, before 1877, or at any rate for 1876, for British refined?—The exports of British refined sugar in 1870 were 579,000 cwt.; in 1871, 778,000 cwt.; in 1872, 632,000 cwt.; in 1873, 696,000 cwt.; in 1874, 922,000 cwt.; in 1875, 972,000 cwt.; in 1876, 1,192,000 cwt.; and in 1877, 1,119,000 cwt.

5676. Have you got the figures for 1878?—No; I will add them.

Mr. Alexander Brown.

5677. Do those figures show a steady increase almost from year to year?—Those figures show a steady increase in every branch of the trade; in fact, a very remarkable increase. It is, therefore, obvious that the existence of depression in particular branches of the trade is somewhat exceptional, and of a nature which has not affected the whole of the trade, which is the point which, from a national point of view, every one in the first instance chiefly looks at. Of foreign and colonial the figures are, in 1862, 22,000 cwt.; in 1877, 174,000 cwt.

5678. What branches of the trade do you think have suffered from the depression of trade?—The two branches of the trade which appear to have suffered are, first of all, the British sugar refining trade, but even there it is only a portion of the refining trade which seems to have suffered, viz., the loaf sugar refining trade, with regard to which apparently there has been, one may almost say, a progressive process of extinction; I have seen statements, but this is a point upon which I speak with no kind of authority. I have seen statements that there are very few houses left whose exclusive business is in the refining of loaf sugar. Therefore I suppose that it is a fact that we must accept as being incontestable, that there has been a very great decline in the British loaf sugar refining trade. Then the other branch of the trade which is stated to have suffered is that of the British West Indian planters.

5679. We understand that there are only one or two British refineries who refine now loaf sugar. I believe although one or two began work last year or the year before, one is again closed?—I believe that is so.

5680. Then the second branch of the trade which has suffered has been the British West India sugar trade?—The British West India sugar trade, I see stated, has very much suffered. The evidence there is not very striking, but there appears to have been, no doubt, a certain decline in the amount of importation and in the value. All that I meant to imply by saying that the evidence was not very striking, was the evidence as afforded by official figures, which is the only evidence, in fact, before me. Perhaps I had better say at once that I think it would be quite useless on my part to give elaborate tables to the Committee. I am no authority on these questions of statistics. I think it far better that the Committee should get the official figures which are necessary in order to carry through the inquiry, from those officers of the Board of Trade, whose business it is to prepare

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pare them. They are far better able to put them in a complete shape than I am. In answer to the question of the honourable Member, I should say from the evidence afforded by official figures, there appears to have been a slight decline in the importation of British West India sugar into this country, and that, I presume, with the fall in price, is the cause of the depression, which is the subject of inquiry.

5681. Speaking now of the British refining trade, to what causes do you attribute the depression which is alleged to exist?—I attribute it partly to the substitution in the consumption of sugar in another form than loaf sugar, and partly to the diminished consumption of sugar on the Continent, owing to the depression which has been notorious during the last year, or whatever period of time may be determined on, owing to the very great increase of taxation, and to the notorious poverty which has been the cause of disturbances on the Continent during the last year or two; I think that that very likely has diminished the consumption in France; I know that it has diminished the general consumption of sugar, and that thereby there has been an increased supply thrown upon the British market; that I think very likely is another cause.

Mr. Onslow.

5682. Will you say where this notorious poverty on the Continent is; do you refer to France?—I believe both in France and in Germany in the last two years, there has been a very considerable amount of suffering caused by the bad trade and by the taxation, and I have no doubt that that reacts upon the consumption of the people.

Mr. Alexander Brown.

5683. That, of course, throws more sugar from France and Germany upon the English market?—I think that that has probably had the effect of increasing the supply of raw sugar, which has been thrown upon the English market.

5684. Do you yourself think that any other cause has had an effect upon this sugar refining trade of which you can speak to us?—I am not aware myself of any other cause.

5685. Do you not think it possible that sugars which require more manipulation in order to extract from them the highest possible amount of bounty on exportation, have become in great demand abroad, and thereby have depressed the price of other sugars that are not so suitable for manipulation?—That I should think, was undoubtedly the case, but it would probably be one of the causes of the depression, we will say, of raw sugar; it would affect the price of raw sugar I should imagine, and to that extent it would relieve the refiners in this country, who would obtain their raw material at a cheaper rate.

5686. There has therefore been a large increase in the supply of raw sugar in this market in consequence of the decrease in the price?—There has evidently been a large increase in the supply of raw sugar during recent years.

5687. And what effect do you think that that has had upon the bounty; has it had any tendency to neutralise the bounty which the foreigners now give to the sugar manufacturers of their country?—I presume that the necessity of employing certain classes of raw sugar for the purposes of refining in France, has

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had the effect of raising the price somewhat of those particular classes of raw sugar, and that consequently the French refiner has to pay more for his raw material than he would have done if the whole of the raw sugar of the world was available for his purposes; that to a certain extent diminishes the profit upon the bounty which he derives, and transfers it to the producer of the raw sugar which he uses for his raw material. On the other hand, I should think that there may be classes of sugar which are not suitable for that manipulation, and which would thereby be rendered cheaper in consequence of there being a smaller demand for them, and that those sugars when they come to this country would be available for British refiners at a lower price, and thereby to a certain extent compensate him for the loss which he sustains in competition with the English refiner who receives bounty.

5688. Turning for the moment to the West Indies raw sugar maker, what do you think to be the reasons which appear to have led to the remarkable decline which you spoke of?—I have always, ever since I have had any kind of knowledge of the trade in sugar, periodically heard complaints on the part of West Indian planters, which have originated from various causes which are very well known, and I cannot help thinking that at the present time there are several causes which operate to make it more difficult for them to compete with the other producers of sugar. I may mention two or three of them; I observe, if the Committee will allow me, to refer to the official figures, for I have no other data to put before them, that we draw our supply of raw sugar from a great many sources, and that from many of those sources there has been a very considerable increase in the importation in recent years, and it is therefore evident that the West Indies have to compete with sugar from a great many sources, and produced in a great many countries. The whole quantity imported into this country is extremely large, and I think it very difficult not to believe that in the course of such competition they may occasionally suffer. The increased importation from some of the British possessions has certainly been very remarkable in recent years. Although no doubt the increase in the importation of what are called bounty-fed raw sugars has been very large, there has also been a very large increase in the importation of raw sugar from countries not forming part of the British possessions in which there is no bounty; and therefore I conclude that the bounty is not the only cause, and that if it affects the West India production it affects it from some cause which is equally applicable to the producers of sugar in other British possessions, or in other countries where there is no bounty.

Chairman.

5689. If you have got those figures before you, will you kindly give them to us?—I can give the Committee a table showing the importation from every country, and also showing the increase in the importation of raw sugar from non-bounty countries, and also the increase from countries that give bounties, and, therefore, enabling the Committee to institute a comparison. I think it really an important table, which will be interesting

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resting to the Committee, and I shall have great pleasure in putting it in. (*The same was handed in.*)

Mr. Alexander Brown.

5690. Would you give us a summary of the figures in that table showing the inference that you draw?—What I have is a comparison of the average importation for two triennial periods. If the Committee would like to hear those figures, I could give them. The first three years are 1873, 1874, and 1875; the second three years are 1876, 1877, and 1878; they are the last six years. I have taken the average of each of those triennial periods. I have not the details of each year before me, but I will put in a table, if the Committee wish it, with each year. In the first three years from Java, the importation was 817,000 cwt.; in the second three years, 1,348,000 cwt. From the Philippine Islands, in the first three years, 785,000 cwt.; and in the second three years, 934,000 cwt. From China, in the first three years, 16,000 cwt.; and in the second three years, 547,000 cwt. From the Spanish West Indies, 2,593,000 cwt., in the first three years; and in the second three years, 1,021,000 cwt. That is a great feature in the table, which shows an enormous falling off. From Peru, 565,000 cwt., in the first period; and 1,041,000 cwt. in the second period. From Brazil, 2,035,000 cwt., in the first period; and 1,591,000 cwt. in the second period. From Mauritius, 691,000 cwt., in the first period; and 847,000 cwt. in the second period. From British India, 340,000 cwt., in the first period; and 548,000 cwt. in the second period. From the British West Indies, 2,963,000 cwt., in the first period; and 2,562,000 cwt. in the second period. From British Guiana, 1,138,000 cwt., in the first period; and 1,344,000 cwt. in the second period. Those are all the quantities which I have extracted, but I will give the Committee a complete list. Those are the quantities of raw sugars imported from each of those places, and the average importation in those two triennial periods.

5691. With regard to that table, I think, with the exception of two places, that is to say, the Spanish West Indies and the British West Indies, they all show a large increase?—There is a reduction in Brazil also; those are the only three; all the others show a large increase.

5692. On the whole, there is a large increase in the other parts of the world you have mentioned; could you tell us anything on the subject of the imports into this country from what are called the bounty-fed countries?—I am speaking now of raw sugars. I presume that a bounty upon raw sugar exists in Austria and in Belgium, and possibly in Holland, but not in France. It is stated, I believe, to exist in Germany to a certain extent also; but the Austrian importations all come through Germany, and, therefore, so far as one is able to trace the course of trade by official statistics, the whole of this sugar comes under the head of Germany, and, therefore, under the head of Germany we generally assume that we have both the Austrian trade and the German trade. That, no doubt, has reached a very considerable figure, and in the last account that I have seen, the importation from Germany, I think, which is the principal source of supply, was about 2,000,000 cwt.

0.104.

Chairman.

5693. You have not the corresponding figures for those triennial periods?—No; but I will have that prepared for the Committee.

Mr. Alexander Brown.

5694. All those foreign countries, as I understand you, have got uniform sugar duties, have they not, on raw sugar?—I believe that most of the tariffs on the Continent have not got uniform duties, but they do not vary very greatly; there is no country in which any attempt is made at a graduation of the duties in the way which formerly existed in this country. I am certainly under the impression that uniformity has always operated to the disadvantage of the sugars of West India, and sugars, in fact, which have the smallest yield. It used always to be an argument, when a graduated scale existed in this country, that to attempt to adopt a uniform duty upon sugar would be a great injustice to the inferior sugars, to the sugars which have the lowest yield, and it was in consequence of that opinion that the graduated scale, which was in force in England, was maintained. The difference of duty became less of course as the duty was reduced; but when the duties were at the highest it was considerable, and I certainly cannot help thinking that the abolition of our duties, and the prevalence of nearly uniform duties on the Continent, has had the effect of increasing that relative disadvantage of sugars which have an inferior yield; I think this is very likely one of the causes which may place the West India sugars at a disadvantage in competing with sugars which are of a higher class.

5695. The graduated scale, you think, favours the lower class of sugars?—Yes; it was always maintained, very much on the ground that it was necessary, in justice to the inferior sugars, to have a graduated scale.

5696. Of course the abolition of that graduated scale has taken away that relative advantage?—Yes.

5697. This being the state of the case, under those circumstances would you think that compensating duties would remedy the evils which we have had stated to this Committee?—I entertain a very great doubt whether, if it were possible to impose an import duty in this country by way of compensating the refiner or the West India planter, for the disadvantage which he may suffer from the existence of these bounties, it would have that effect. It seems to me that, considering the great variety of the sources of supply from which our raw sugars come (I will begin with raw sugars), a compensating duty levied merely upon perhaps a sixth part of the whole of our importations, if so much, could hardly have the effect of raising the price to an extent which would really do what the West India planters imagined that it would do, namely, compensate them for the special loss that is inflicted upon them by this competition. At all events, one of two things appears to me clear, either that it would have the effect of raising the price of the whole of the sugar imported into this country or it would not. If it had the effect of raising the price by anything like the extent of the duty, it is then incontestable that it would involve a very considerable burden to the British consumer. If it had not that effect, it seems to me that it would not produce that relief to the

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British West Indian planter which he desires to obtain.

5698. Assuming for a moment that a compensatory duty would produce the desired effect upon those two branches of the trade, do you see any objection to imposing it, either in principle or in application?—I see very considerable objection to it in principle, and also I see very great difficulties in the way of the application.

5699. What are your objections to a compensatory duty; on the ground of principle?—My objection on the ground of principle is this: I assume the principle to be that it is the duty, or at all events that it is a sound policy on the part of the Government to endeavour to equalise the conditions of production in the interest of the producers of our own country whenever those conditions have been rendered unequal by the legislation of a foreign country. I do not suppose that anybody would argue that it is the business of the Government to endeavour to equalise the conditions of production with the view of remedying the inequalities produced by what are called natural causes; but that is not the question, I imagine, which is under discussion to-day. I assume that the only idea which is entertained at present, and the only proposal before us, is that whenever a foreign government, by its legislation, throws a disability upon the producer of another country, the government of that country is bound to compensate their own producers to the extent of that disability. That, I presume, to be the principle on which I am asked my opinion. Assuming that to be the principle, my objection to it is of a very practical kind. It appears to me that if that principle is admitted as being in any way applicable to the present case, it is one which would carry us very far; it is one which would land us in consequences, logically, which I think could hardly be seriously contemplated, and still less seriously proposed by the government of any country. It appears to me that if it is right to impose an import duty to countervail a bounty, with a view of equalising and removing a disability thrown upon a British producer by the legislation of a foreign country, it must be equally right to give a bounty to countervail an import duty. In both cases what does it amount to? It amounts to a subsidy. We will take the case of France and England as the two countries concerned. France gives a subsidy to its refiners; that is really what it amounts to, and the English Government is called upon to give a compensating subsidy to its refiners. In the market in which they compete, the British refiner is placed at a disadvantage, that is to say, that his market is contracted and diminished in consequence of this unequal competition. It does not matter to the manufacturer or to the producer in what market he suffers; whatever contracts or diminishes his market is the cause of a loss of trade. Therefore, I argue that in the same way an import duty in France, a protective import duty, distinctly limits the market of the British producer in France, and places him at a disability in competing with the French producer or the French manufacturer, and that he has just the same right to claim from his Government compensation in the form of a bounty to countervail the protective import duty in France as the British refiner has to claim an import duty to compensate the bounty on refined sugar sent from France. That to me is a very serious objection

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to the principle which has been proposed. I think it is a proposal which would land us in consequences which can hardly be seriously entertained. To illustrate the effect of such a policy, supposing that principle to be acted upon, I would merely give an illustration to show what a very serious matter it is, as this is a proposal which has been discussed, and, of course, must be discussed again. I suppose that it is a very low estimate, a perfectly safe estimate, that out of about 200,000,000 £, which is the total value of British exports to foreign countries, 150,000,000 £ consist of goods which are exported to countries which impose protective duties. Now, assuming that these import duties only amount to the very moderate amount of 10 per cent., which I suspect is very much within the mark, that would involve a sum of 15,000,000 £, and that 15,000,000 £ might be claimed, and it seems to me in justice ought to be claimed, by the exporters of British produce and manufactures on the same ground that the British Government might be now asked to put on an import duty to countervail this French bounty. That 15,000,000 £ would be, of course, obtained from the British taxpayer. It is a proposal which, of course, it is not possible to contemplate seriously. Therefore, it seems to me that this principle if adopted will carry us to a point which will be found extremely dangerous.

5700. In fact, you contend that if you have the right to countervail a bounty, we have the right to give a bounty against an import duty of a foreign country?—I am not able myself to see the difference between the two cases.

5701. Of course, in such a case if your principle is sound such a principle would carry us into a state of affairs which could hardly be contemplated by any body in this country; it would throw an enormous burden upon the country, in fact, would it not?—Yes, it would throw an enormous burden on the country; but even this would be a very much smaller burden than would be imposed by the imposition which has been often suggested of countervailing import duties. The Committee will perceive in a moment the difference between the two cases. Taking the amount of our free imports, which I suppose we may say are about 350,000,000 £ sterling, even if we put a 10 per cent. import duty upon them, as a general import duty, we should have a large sum. Although the course suggested is a very costly one, it is very much less costly than any attempt to compensate the British manufacturer, as has been very often suggested, by means of imposing protective duties on foreign imports into the country. That was the point which I wished to bring out. I say that to impose duties of import upon the articles which are now imported free into this country would be a far more costly proceeding than even this very costly proceeding which I have been describing. Instead of 15,000,000 £ it would probably cost us 20,000,000 £ or 30,000,000 £; in addition to which we should have to add the amount of duty upon the home produce and manufactures with which those foreign articles have to compete, so that the sum would be very large indeed. Probably I should not be very much over the mark in saying that it would amount to 40,000,000 £ or 50,000,000 £ sterling. Therefore the point I wish to put before the Committee is, that outrageous as this proposal seems, any attempt that is made to countervail

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countervail or to compensate, by means of a subsidy on the part of the British Government, the losses sustained by the British producer in consequence of the legislation of other countries, will have for its effect to give to our producers a right to a subsidy, which, however extravagant, is unquestionably, as compared with other proposals which have been made, more economical, more exact, and more just.

Chairman.

5702. When you speak of 10 per cent., that is assuming a protective policy?—Yes, I am assuming that there would be a great number of articles which would be protected.

Mr. Alexander Brown.

5703. That is, so far as regards the objections to this course on the ground of principle; you also stated that you had other objections on the ground of application?—I have one other objection, which is this, that imposing a duty, which is, I think, the proposal submitted for my opinion, with the view of countervailing the bounty, would be a very costly and an unnecessarily costly way of bringing about the desired result. Now, on the assumption that it is the duty of the British Government, or that it is the interest of the British Government to subsidise the British refiner to the same extent as the French Government subsidises its refiner, on that assumption even I say that the mode proposed would be an extravagant one; that in order to remedy a comparatively very small evil you would create a much larger evil. As I understand it, the amount of disability which it is proposed to remove has been represented as being something which might be very fairly met by an import duty of 2*l.* or 3*l.* a ton on sugar. Taking it at 2*l.* a ton, that, I think, has been estimated at about a farthing a pound in the price of sugar. Supposing the imposition of this duty had the effect of raising the price of sugar a farthing a pound, that would mean that it would throw on the consuming public something like two millions a year on raw sugar, which is an enormous sum, and of course infinitely more than is necessary to compensate the bounties which, putting them altogether, are not even alleged to amount to anything like so large a sum as that. So far as the refiner is concerned, it seems to me that, considering the amount of capital which, I presume, exists in the trade, the yield of revenue of one year would be probably two or three times as much as the whole of the capital of the loaf-sugar refiners of England, with 100 per cent. profit; so that a more costly way of doing what is considered necessary to do, it seems to me difficult to suggest. That itself seems to me to be the strongest possible argument on principle against such a proposition, and I believe that if the object is recognised to be a right one, it may be obtained at very much less cost, and in a very much more direct manner.

5704. It has been stated to us that the fixed capital employed in this trade was 700,000*l.*; if the value of sugar imported into this country were to rise a farthing in the pound, what would that amount to?—The imposition of a duty of 2*l.* a ton on raw and refined would, on the assumption that it would raise the price by the amount of the duty (I speak subject to correction), amount to about 1,500,000*l.* sterling on 0.104.

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the total amount of imports of raw sugar into England, and to a similar amount in respect of refined sugar.

5705. That is to say, 3,000,000*l.* annually to be paid by the consumers of sugar in this country, to keep up a trade with a fixed capital of about 700,000*l.*?—That would appear to me to be the result.

5706. Could you go on to state what you think would be the difficulty of the application of this proposal to put on a countervailing duty?—It appears to me that the difficulties in applying the policy would be very great. I entertain great doubts whether it would be possible to impose one and the same import duty upon the sugar of all countries which give bounties, unless it could be clearly shown that the bounties in all these countries were exactly the same. I have very grave doubts whether under some of our existing treaties such a course would be possible; but whether or not it might be possible, that being a question of the interpretation of the treaties, ought to be referred to the consideration of the law officers of the Crown. Whatever may be the legal interpretation of the treaties or the strict legal right under the treaties, on one point I can speak with some experience, and upon that I have no hesitation in expressing my opinion, that at all events it would be extremely impolitic, on the supposition that different rates of bounty are imposed by the different countries which give bounties, to impose a uniform countervailing duty upon the sugar from all those countries. I think that such a course could not fail to give rise to very irritating controversies, and controversies which it would be extremely difficult to settle, and which could not be settled without concert and without common inquiries which had far better precede than succeed any such action on our part. Therefore, I should extremely regret upon grounds of policy anything which would have the result of in any way weakening the effect of a stipulation which is to us, of all countries in the world, vitally important.

5707. The maintenance of those treaties is important to us, on the ground that we export so largely to foreign nations?—The most favoured nation article in our treaties is vitally important to us, more so, perhaps, than to any other country, for this reason: that owing to the commercial policy of this country, which has confined our tariff to a few articles, we are entirely debarred from making what are called tariff treaties; the consequence is, that our commercial treaties now contain very little except the most favoured nation clause, and it is upon the equitable and liberal construction of that clause that we entirely depend for the treatment which our trade may receive from foreign countries. I have had myself so much experience of the extreme difficulty and inconvenience of any difference of construction placed by two Governments on that article, that I should very strongly deprecate any course which might give rise to a renewal of those controversies.

5708. Therefore, in spite of the difficulty pointed out to this Committee with regard to those two branches of trade, you believe that the vital importance of maintaining the favoured nation clause would be, as, of course, it must be, a primary consideration?—Yes.

5709. I ought to have asked you a question as to

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to whether you think that the complaints which are before this Committee, and which appear to be made on the part of the West India trade and on the part of the British refiners, are not rather difficult to reconcile; the one being that the price of raw sugar is cheapened, and the other being that the French refiner sells his refined sugar at a price which is below the cost at which we can refine it in England?—It does appear to me certainly to be a point of some interest. At first sight the complaint of the refiners is that the price of their product is unduly depressed by the operation of these bounties. On the other hand, the complaint of the West Indian planters is that their product is also unduly depressed by the operation of these bounties. It would seem natural, at all events, that the refiner would have the benefit of the depression in the price of raw sugar, and I should have thought that the co-existence of these two complaints was very remarkable. I confess that I am not able myself to explain it. I remark it, but I cannot explain it.

5710. Can you tell me the price of raw sugar in the London market, as compared with the price in the Paris market?—I know nothing about the prices.

5711. The letter which M. Léon Say has written to the French Minister, M. Waddington, mentions this point about the great cheapness of the French refined loaf sugar; that letter apparently goes to this effect, that the French refiner cannot gain as much on the sale of his loaf as the English refiner does; have you seen M. Léon Say's letter?—I have seen the letter which M. Léon Say wrote to M. Waddington, and it is so far remarkable that he there appears to use as a reason for being unable to do what he would like to do in reducing the bounty on refined sugar, that as long as the Austrians give a

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bounty on their raw sugar, which the British refiner has the advantage of, it is impossible for the French refiner to compete with the British refiner without a bounty, he being evidently under the impression that the one is a set-off against the other; that whatever the French refiner gains by the bounty on his product, the English refiner gains by the bounty on the Austrian product. That is evidently M. Léon Say's view. No doubt one question one would like to ask him is, why he does not alter that law so as to enable the French refiner to get the benefit of the Austrian bounty, but in addition to that I think the letter is interesting as showing that, irrespective of any action upon our part, those countries are, by their artificial and unwise legislation, gradually cutting each other's throats, and injuring each other, and finding themselves in a position from which they will be compelled gradually to extricate themselves.

5712. I may take it that you think that however much the West India trade and the British refining trade may have suffered, the putting on of a countervailing duty, in order to help these two trades, would be a course which you would be against on principle, and also against, on the various grounds which you have stated to the Committee why you would not like to see it carried out?—I should very strongly deprecate any such policy. I contend that the objections to it in principle are of a most serious character. I think it would lead to a demand from other industries, which it would be very difficult in justice to resist. I entertain the opinion that it would be found very difficult to apply it in practice without imperilling the security of our treaty stipulations, and without involving us in very great difficulties in our relations with foreign countries.

Friday, 25th July 1879.

MEMBERS PRESENT:

Mr. Balfour.
Mr. Bell.
Mr. Bourke.
Mr. Alexander Brown.
Lord Frederick Cavendish.
Mr. Eugene Collins.
Mr. James Corry.

Mr. Courtney.
Mr. Sampson Lloyd.
Sir James M'Garel-Hogg.
Mr. Ritchie.
Mr. Stewart.
Mr. Thornhill.

C. T. RITCHIE, Esq., IN THE CHAIR.

Mr. FREDERICK GOULBURN WALPOLE, re-called ; and further Examined.

Lord *Frederick Cavendish*.

5713. IT is the fact, is it not, that at the time of the negotiation of the treaty of commerce with France, the French had complained that we were giving a considerable bounty on refined sugar?—I never saw that complaint formulated. In the conferences they said that there was a particular kind of low class sugars which they thought gave a much higher yield than they were estimated to give; but I never saw any formal dispatch in which it was stated. They alluded to a third class in the discussion.

5714. Is it not the fact that one of the main objects of the conference which led to that convention, was to ascertain whether or not a bounty was given by England upon the export of refined sugar?—I never heard such a thing stated. I do not think England ever moved in the matter, or would have moved in the matter.

5715. Is it not the fact that the French have complained that the English Government was giving a bounty on the export of refined sugar?—I never saw any dispatch or any statement of that nature. I recollect that it was stated at the Conference.

5716. You promised to form the best estimate that you could of the amount of the bounties paid out of the Austrian Exchequer on the export of sugar; will you now give that estimate?—I have been considering that, and I think that I should go nearest by adopting M. Jacquemart's calculations. I think his reasons are very satisfactory. It comes to 3*l.* per ton on raw sugar, and 4*l.* per ton on refined sugar, I think; or an average of 3*l.* 10*s.* all round.

5717. What sum would that amount to on the sugar exported to this country?—I cannot distinguish the Austrian imports into this country, because they are all lumped with the German imports into this country. I can give you the quantities for Germany, which includes Austria.

5718. The German bounty is smaller than the Austrian bounty, is it not?—It is.

5719. At what amount per ton should you estimate the German bounty?—I cannot say; I have never gone into that. I might give a guess and say 30*s.* per ton; but I do not think my opinion is worth much on that point.

0.104.

Lord *Frederick Cavendish*—continued.

5720. You have given long study to this question, and you have recommended that this country should enter into a convention binding it to impose a countervailing duty on all sugars coming from countries giving drawbacks?—Yes.

Chairman.

5721. Do you mean drawbacks or bounties?—I have always used the word "drawback" myself for a very particular purpose (which I will explain), in preference to bounty. I had a particular reason for using the word "drawback" in my report instead of the word "bounty."

Lord *Frederick Cavendish*.

5722. Are you able to state what the amount of this countervailing duty should be in the case of the different countries?—No. I have made a note in order to explain to you what I said in answer to Question 5270. As I understood then, the difficulty raised was this: that if you cannot tell the exact amount of the drawback to be accorded, you maintain that there must be a margin one way or the other; how then could you, in framing your international convention, arrive at the figure of the bounty given abroad? I did not answer that question at all sufficiently or satisfactorily. The explanation should be this, that drawbacks have always been adopted, both by the English Government and by every other Government, as the best means to an end; but they are always presumptions; whereas the bounties may be ascertained, because they are *post facto*. We can compare the amount of duty which ought to be collected according to the quantity of sugar consumed in any country, with the actual amount of duty which is collected. If the duty which reaches the Treasury is less by 10 per cent. the amount that ought to be collected, it is clear that there is an excess yield of 10 per cent. which escapes duty; and therefore we can arrive approximately at the bounty which is there gained. The same applies to the exports. There will be an excess yield of 10 per cent. on the exports, and therefore an exporter, say, of refined

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refined sugar from France, would receive back 10 per cent. more than he has paid.

5723. No witness has yet been able to inform us at all accurately as to the amount of the bounty given by Austria?—I can give you approximately the lump sum of the whole of the export bounty all over the world, and I can give you upon that basis what the bounty should be in Austria.

Mr. Bell.

2724. On loaf-sugar?—On both raw and refined. I am following Monsieur Jacquemart in this. I have read his pamphlet, and I think he is about the best authority we could have. He says that the bounty on raw sugar is 366,000 l., and that the bounty on refined sugar is 292,000 l. That will make a total of 658,000 l., as against 560,000 l. in France, 480,000 l. in Belgium, and about 150,000 l. in Holland.

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5725. Do you think it probable that the Austrian Government will accept Monsieur Jacquemart's authority as final, so that they, having a "favoured nation" clause, would be content that such a duty calculated upon this basis should be imposed by England upon sugar coming from Austria?—I do not suppose that they would for a moment accept any authority at all but their own.

5726. Is it not probable that the disputes would be endless as to what the amount of the countervailing duty should be?—I think not; and that is what I was coming to. I foresaw all these difficulties, and that is the reason why, in my report of the 3rd of August, to which I have before referred, I talk of countries giving drawbacks on account of the "favoured nation" clause. You may be aware that by Section 42 of the Customs Consolidation Act, a great many restrictions are imposed upon goods coming into this country. Those restrictions apply to all the world, whether there is a "favoured nation" clause or not. For instance, tobacco and spirits must be imported in vessels of a certain tonnage; tobacco must come in packages of not less than 80 lbs.; and spirits must come in casks of not less than 20 gallons, and so forth. Those conditions are imposed by the British Government on the importation of goods into this country; and we neither consulted nor took the advice of any foreign government before we arrived at those restrictions. The same articles might be imported from France, or Austria, or Germany, with all of which countries we have "favoured nation" clauses; but if they did not fulfil the conditions which we impose here, they would not be admitted. Moreover, they would be admitted at a differential duty and not on the tariff; for instance, if 60 lbs. of tobacco came here from Austria, that being an illegal package, the Board of Customs would detain it, and might release it on a fine, say, of 5 l.; and Austria would not complain under the "favoured nation" clause that she had been treated differentially, because she had not complied with our conditions.

5727. The regulations which you have just described, with respect to tobacco and spirits, are all made, are they not, for the sake of guarding against fraud, and of facilitating the levying of revenue?—Yes.

Mr. Courtney.

5728. And they apply equally to all the world, do they not?—Yes.

5729. How do you make them out to be differential?—They are not differential.

5730. I thought you said you could prove that they were differential?—No; I have used the word "drawback" in order to get rid of the difficulties of different rates of countervailing duty.

5731. How do you make out a fine to be differential?—If 60 pounds of tobacco came in, plus 5 l. fine, it would be the duty on tobacco, plus something more; but it would not be a differential duty.

5732. We understand usually by a differential duty, that you treat one nation on a different scale or in a different way from the way in which you treat another nation; you have not suggested anything of that kind?—Nor would I in the case of sugar.

5733. I am only wishing to understand the answer that you gave; I thought you wished to show to us that, under the existing Custom House regulations, different countries might be treated differently, despite the "favoured nation" clauses?—No; I did not say at all that they might be treated differently; I said they would be treated in the same way under the same conditions. That is the point.

Chairman.

5734. You go merely the length of saying that if a country does not comply with our conditions, that country is practically subject to a different treatment from the country which does so comply?—Subject to the restrictions which we have come to without consulting any foreign power.

Lord Frederick Cavendish.

5735. And those restrictions you have just stated to be solely and simply for the sake of guarding the revenue?—Yes; but there are other restrictions which are not for revenue purposes, as you are aware. There are many other restrictions under the same section of the Act which have nothing to do with revenue.

Chairman.

5736. What are those restrictions?—Books that are copyright, coin, false moneys, extracts and essences of malt, obscene prints and paintings, tobacco stalks, articles of foreign manufacture bearing British names and marks, are prohibited altogether; and then we come to cattle, which is very apposite to the question of sugar, for this reason: that under the recent Orders in Council, Austria, which is an exporting country of cattle, cannot send her cattle to this country without slaughtering it. Even if Austria were to send cattle here perfectly sound and free from disease, her cattle would not be admitted, although it might be proved by a veterinary surgeon that that particular cargo might be quite free from disease, because there was disease in the country. I say that if there is a drawback in the country, it is the same as saying that there is disease, and, therefore, on that ground we might make a special regulation.

Lord Frederick Cavendish.

5737. Is it not the case that the "favoured nation" clause was found to make it necessary to change the provisions of the Contagious Diseases

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Diseases (Animals) Bill as introduced by the Government?—I am not aware that the "favoured nation" clause was affected.

5738. Was it not found necessary to alter the provision of the Contagious Diseases (Animals) Bill which was introduced by the Government last Session, in consequence of our attention being called to the "favoured nation" clause?—I am not aware of the alteration, but I dare say that it was so.

5739. I understand that you propose that a countervailing duty should be levied on all sugars coming from countries giving a drawback?—Yes.

Chairman.

5740. And not included in the convention, I suppose?—Of course, not included in the convention, but I enter a wide proviso to admit every country that gives reasonable guarantees.

Lord Frederick Cavendish.

5741. Should that countervailing duty be levied in proportion to the amount of drawback?—That would be the just way to do it; but as I have already said, in answer to your question, I think we must do it as nearly as we can, as in the case of spirits.

5742. In your opinion, would not the "favoured nation" clause prohibit us from laying a countervailing duty without the utmost exactitude on sugar coming, say, from the United States?—I should say not, because we might go to the extent of prohibition as we do in the case of cattle.

5743. Simply and solely on the ground that those countries give a drawback?—I think that under the "favoured nation" clause we can prohibit sugar on the same ground as we can prohibit cattle.

5744. Do you think, that under the "favoured nation" clause any country could prohibit spirits coming from England which had received a drawback?—Provided they prohibited spirit from all other countries giving drawback.

5745. And you think that foreign countries could act in a similar manner as regards ourselves?—Certainly.

5746. Therefore, as regards articles subject to Excise duties on which a drawback might be allowed on exportation, the "favoured nation" clause is a dead letter, in your opinion?—It might be made so.

5747. It would be so, would it not?—If we enforced it.

5748. And other countries would be at liberty to enforce your interpretation?—Yes, certainly.

5749. Then what is the object of the "favoured nation" clause?—The object of the "favoured nation" clause is to put the countries on an equality. I think France is now being subjected to a wrong in our markets by Austria; that Austria, by special legislation, has altered the conditions of equality between French and Austrian sugar; and therefore Austrian sugar is clearly outside the spirit of the "favoured nation" clause; she has gone outside it, and behind it, by her own act and deed.

5750. Would you not have considerable difficulty in interpreting your treaties and engagements if you go beyond the letter, and act upon the spirit?—The essence of that article is in its spirit, I take it.

5751. I understand that your view is that the countervailing duty should be levied in proportion to the amount of the drawback?—Yes.

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tion to the amount of the drawback?—I should adjust it as nearly as possible; but I do not think that any nation would have a right to complain if, by special legislation, they put their goods upon our market at a disadvantage to other nations with which we have a "favoured nation" clause. I think the onus of proof would lie upon them, and not upon us.

5752. You would levy your countervailing duty in proportion to the amount of the drawback, totally regardless of the amount of Excise duty which had been previously paid upon the article?—Yes.

5753. The drawback might, of course, be exactly equal to the Excise duty which the article had paid?—Yes.

5754. And yet you would levy a countervailing duty in proportion to the amount of the drawback?—In proportion to the amount of the bounty as near as we could ascertain it.

5755. You have been saying, in your evidence, that you would not levy it in proportion to the amount of bounty, which might be difficult to estimate from, but in proportion to the amount of drawback?—I did not say in proportion to the amount of drawback; I said that I should countervail in the case of every country that gave a drawback. How I should apportion it would be a matter of calculation.

5756. Then it would be a calculation to be accurately made in the case of each country?—Yes, as near as we could.

5757. In the case of a country like the United States, where a large part of the raw sugar pays no duty whatever, and another portion coming in from Cuba, say, has paid duty, do you think it would be possible to say what the bounty on the export of that sugar is?—I cannot say; we must do the best we can, that is all. I know we have failed in apportioning it exactly in the case of spirits, and yet we levy it, and we might do the same in the case of sugar, and go as near as we can.

5758. Can you suggest any means by which we could fix it approximately?—Yes, I should take the imports of sugar, the amount of duty which should be paid, and the amount actually received. The quantity consumed ought to pay so much; the amount of duty paid is so much, and therefore there is so much surplus yield that escapes the duty.

5759. But should you consider that the other sugars should all be consumed at home, and that the sugar coming from Cuba, paying duty, should all be exported. I do not see in what manner you could calculate it?—I should calculate the amount of the exports.

5760. But how would you spread the amount of sugar paying duty between your home consumption and your exports?—You could ascertain the per-centage of bounty by the consumption. That same per-centage is the export bounty.

5761. The Americans might like to consume the whole of the sugar coming from Cuba which pays duty at home, and simply to export the sugar grown in Louisiana, which had paid no excise duty, so that the drawback would be all bounty, or it might be the reverse?—Or it might be all refined, as in France.

5762. What I wish to ascertain from you is this: how could we calculate what proportion of the duty-paying sugar coming into the United States

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States is exported?—We can take the statistics of their exports.

5763. But how can you tell how much of that exported sugar is made from Louisiana sugar, which has paid no excise duty, and of which you have no statistics?—I should have to go into their regulations; but I cannot conceive their manufacturing in the same refinery duty-paid sugar and free sugar; I do not see how in such a case they would get their drawback at all. If they manufactured in a refinery both duty-paid sugar and free sugar, they could only conduct it at such a tremendous loss, for they must export it either without or with drawback. If they exported it with drawback, the Treasury would lose 100 per cent.; and if they did not get any drawback at all, the refiner would lose, and he would not ship a second cargo. I do not see how that difficulty could arise.

5764. You consider that with the "favoured nation," clause, we should be bound to proportion the countervailing duty as accurately as we could to the amount of the bounty?—I think we ought to try and make it accurate for the sake of our economic principle, but I do not think that we should be bound to do so, because we could go to the extent of absolute prohibition.

5765. As you state that the bounty on sugar from Germany amounts to one-half of the bounty on sugar from Austria, we ought to put a countervailing duty of double the amount on sugar from Austria that we should on sugar coming from Germany, ought we not?—We ought.

5766. Do you think that it would be easy to levy upon sugar coming from Austria a countervailing duty of twice the amount that we levied upon sugar coming from Germany, if that was our policy?—There would be no practical difficulty whatever.

5767. As I understand, you consider that the bounty on refined sugar from Austria is much larger than that on raw sugar?—It is lower on raw.

5768. Therefore we should have to have a different countervailing duty on refined sugar from what we should have on raw sugar?—I do not know that that would be necessary.

Chairman.

5769. You gave us the gross sum of the bounty upon raw sugar, and of the bounty upon refined sugar, but you did not give us the quantities, and of course the amount per ton depends upon the quantities?—I took M. Jacquemart's estimate.

5770. Did you state what the amount per ton was?—Yes, I gave the amount per ton, 4*l.* 3*s.* 4*d.* on refined, and 3*l.* 6*s.* 8*d.* on raw.

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5771. Therefore you would have to have a different countervailing duty upon refined sugar from what you had upon raw sugar?—I think we might strike an average of 3*l.* 10*s.* for Austria, taking it all round.

5772. Would it be in accordance with your ideas of free trade to put a heavier duty than ought to be imposed on raw sugar, and a lighter one than ought to be imposed upon refined sugar?—I think it might be simpler than having a different duty. For instance, in the case of spirits, in certain cases, the duty on one class ought to

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be 3*d.*, and on the other class 10*d.*, and we admit them both at 5*d.*

5773. Do you think that the refiner in England would be very grateful for having an extra duty imposed upon Austrian raw sugar, and a less duty upon Austrian refined sugar?—Certainly not; I never knew any man who did not like everything all his own way; but he must put up with inequalities, of course.

5774. Do you not think that that would be a good cause of complaint?—I think not; I think it would be so obvious that the best thing had been done under the circumstances, that he would be an unreasonable man to complain. Of course he would like it very much if you could exclude the Austrian refined altogether.

Chairman.

5775. Would there be any difficulty whatever in having one duty on raw sugar, and another on refined?—There would be no difficulty; but the difference would be very slight.

5776. There is no difficulty in telling which is refined, or which is raw?—There is no practical difficulty in telling which is refined and which is raw.

Lord Frederick Cavendish.

5777. But would it not happen in this case, as before, that the ingenuity of man would be immediately exercised to get as much as he could, and that you would have raw sugar made of the very highest quality?—It would be classed as refined in our trade statistics.

5778. You would have to draw a line somewhere between raw sugar and refined sugar, would you not?—Yes; but that line would be drawn, I think, by the regulations of the country.

5779. Would not great ingenuity be at once exercised to make the sugar paying the raw duty as pure as possible?—There is not the slightest doubt that everybody would try and get every advantage they could, as in every other case.

5780. And you would be forced in a few years to do as this country did in levying the sugar duties, that is to say, to levy them according to various standards?—I do not think so.

5781. We found it necessary formerly, when we levied sugar duties, to levy them according to various standards; why would not that be equally necessary if we adopted a countervailing duty?—The whole of our sugar duties were very large at one time. This would be a mere margin of difference.

5782. Do you not think that the "favoured nation" clause would oblige us to levy those duties as equitably as possible?—I do not myself think that that clause would give them any ground of complaint; but I am not a law officer of the Crown.

Chairman.

5783. Is there anything in your former evidence which you wish to correct?—I have explained with reference to No. 5270. In the answer to No. 5247, the words are, "In the case of any sugar that we found receiving export bounty, we should have to countervail the bounty." The answer would be that the bounty is now only given on loaf sugar. I think that ought to be added to the answer, or else that might lead to confusion hereafter.

5784. The

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5784. The point was what I have been pressing lately, that is to say, whether there were not many stages between raw and refined sugar?—Yes; it is not necessary to add it, but it might be added to the sentence that at present the bounty is only given on loaf sugar in France. It is a difficulty which might arise, but it has not arisen. We should have to deal with it no doubt when it did arise.

Mr. Courtney.

5785. Have you since you were here on Friday last considered at all the series of questions that I addressed to you then at the close of my examination; you did not answer them at all then?—I had great difficulty in following them, I recollect, at the time, and I do not quite follow them now, to tell you the truth, though I have read them over carefully.

Chairman.

5786. Is there any other correction which you wish to make in your evidence?—Yes; in No. 5125 there is a misapprehension. I was asked whether I was aware that the reduction was preliminary to the speedy abolition of the duties. The answer, instead of "Yes," should be really "No," because the discussion on the abolition of the sugar duties was when they were reduced to 3 s., not when they were reduced to 6 s., as it is put in Question 5123. There was no talk then of getting rid of the sugar duties altogether; they were then very considerable, and formed an important item in the Budget. It was later, when they were reduced to 3 s., long after the time when the sugar people offered to pay the expenses, that the question of abolition arose, as far as I can recollect.

Mr. Courtney.

5787. When were the sugar duties reduced to 3 s.?—I cannot say; I have for the last few days been so much occupied, in consequence of the Secretary of my department being ill, that I have hardly had time to refer to any papers. It was subsequently to the offer of the refiners to pay the expenses, and that makes all the difference to the answer, though the reasoning may be good; but, as a matter of fact, I was wrong when I said "Yes;" it ought to have been "No." There is an answer which I gave at No. 5007 to the Chairman, in which I used the words, "claim compensation for a wrong done by ourselves;" my meaning is not quite clear; my meaning was that as the "favoured nation" clause was to establish equality on the British market, the other nations who by special legislation had their goods placed at a disadvantage on our market would be wronged; that is to say, that France would be wronged by Austria on our markets.

Mr. Eugene Collins.

5788. With regard to refining in bond, in your evidence you seem to believe that the system of refining in bond is the only real remedy against this bounty system?—I think so.

5789. You have stated in your evidence that after all the consideration that you have given to the subject you find no other possible way of dealing with it than endeavouring to induce these countries to refine in bond?—There is no system,
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I can undertake to say at present, which will stop bounties, except refining in bond.

5790. Would you also recommend or insist upon the same system being adopted in the sugar-growing countries of manufacturing in bond?—Yes, they must manufacture in bond.

5791. Failing to induce them to adopt these views, you seem to insist upon the necessity of imposing countervailing duties?—Yes, that is my view.

5792. And you are also under the impression that failing the manufacturing or refining in bond, there would be no other possible way of meeting the evil than by the imposition of countervailing duties?—No.

5793. I think in the evidence that you have given to the Committee, you have made it abundantly clear that the imposition of countervailing duties would be attended with very considerable difficulties?—Many difficulties have been suggested to me, but I see very little difficulty in an international conference settling them with very great approximate justice, and satisfactorily, I do not admit the difficulties myself.

5794. But your answer is, that you think that the difficulties might be met by either a conference and convention of the parties interested in the matter, or by some other process; for instance, by Order in Council, if we ourselves attempted to do it, supposing that we acted independently of other countries?—I did not recommend that.

5795. You referred to it, I think?—Yes.

5796. But that would be a subsequent condition of things, to that existing at present. You have formed your opinions upon the existing condition of things, that these countries could be countervailed for the purpose of meeting the difficulty there according to your own view?—I think so.

5797. The Committee I imagine can form an opinion, from the evidence put before them, of the effect that this countervailing duty would have on the consumers; in England, that is to say, that a countervailing duty must necessarily have the effect of raising the price of sugar in England; that you feel fully?—Yes, it would be of no use if it did not do so.

5798. Have you formed an opinion as to the mode in which the countervailing duty, supposing it was adopted by the other countries, such as Austria, France, Holland, Belgium, and the United States, would operate in those countries as against consumers?—France imposes a countervailing duty at this moment, she imposes a surtax upon raw and refined sugars. I do not know what the effect is, but of course it has a tendency to contract the sugar market in France.

5799. Are you aware whether France or the other countries which we are referring to, import to any extent from the adjacent beetroot sugar-growing countries for consumption?—Yes, they get some Belgian indigenous sugar into France; and at one time in a dearth I think they took a little Austrian sugar, but it was so small that it is not worth mentioning. They have a surtax upon Belgian sugar, and a surtax upon Austrian sugar, but they are different surtaxes. They have apportioned it.

5800. If the import into France of sugar of that description is almost confined to Belgian sugar, the amount of the import would be very inconsiderable?—It is inconsiderable in comparison

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with the production; but the French complain of it bitterly. I do not know the exact figures, but I could obtain them. The Belgians did send a good deal of raw beetroot sugar into France at one time, especially when there was a bad crop in France.

5801. At one time they sent a larger quantity into England than they do at present, did they not?—Yes.

5802. The amount which they at present ship to England is very small, is it not?—The quantity of raw sugar was 496,000 cwt., that is 24,800 tons.

5803. Drawing an inference from our imports of Belgian sugar into England, and the amount of their manufacture, I suppose it would not be an unfair inference to draw, to say that the amount sent to France was inconsiderable?—That had better be settled by the figures. The French statistics show that, but unfortunately I have not got them; you will get that very likely at the Commercial Department of the Foreign Office.

5804. If we adopt the system of countervailing duties that you recommend, should we not be practically almost the only country levying a duty of this kind, at all events to any great extent, upon our consumers?—No; I think Belgium has a surtax now upon French sugar, so that that would be another country doing the same thing.

5805. At the same time it must be evident that, as between the respective countries, if we are only to take the case of Belgium to base an opinion upon, we must naturally draw the deduction that we should be practically the chief country amongst them all that would suffer, so far as the consumers go, by the imposition of this countervailing duty?—We are very much the largest consumers of sugar certainly.

5806. If we are the largest consumers of sugar, the consuming public would suffer considerably more in this country than in any of those other countries that would be affected by the countervailing duty?—Yes; of course the larger the consumption of sugar the more the duty would be felt.

5807. Supposing that we had no West Indian colonies producing cane sugar, would it not be to our advantage to obtain sugars from these beet-growing countries on the cheapest possible terms, totally irrespectively of any effect that it might have upon those countries?—Yes; if we had no industry to be dried up, we should not be injured, and therefore we should have no object whatever in remedying the evil.

5808. In fact, we should be indifferent to the result?—On the raw sugar we should, but not on the refined sugar, because there is an existing industry which would be attacked. If no industry of ours was attacked, of course we should be indifferent.

5809. Of course you are fully sensible of the feeling that influences us all, that the interests of our own people, the consuming public, are paramount with us?—I have no sympathy for them whatever. When a man gets a thing a farthing under cost price, I think it is a very bad position to put him in. If it was meat or corn, I should think it ought to be stopped at once. If he depended upon an artificial supply for one of the first necessities of life, that artificial supply might be dried up; and when the artificial supply ceased you might have a famine. I do not think

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the consumer is worth considering in the matter, or that he has any rights in the matter at all.

5810. Even although you may not have any very great sympathy with him, nevertheless you must see and feel that sugar enters very largely into the dietary of the people in a variety of ways?—Yes, I quite admit that it does, but I have no sympathy with them any more than if anybody stole half-a-crown; I should know that he would like the half-crown; but my sympathies would not be with the thief. We are participators in a robbery which is being committed abroad upon the French taxpayers, and we, who eat the sugar, participate in the benefit of the robbery. I do not say it is an immoral act on our part, but I have no sympathy with the consumer under those circumstances.

5811. Then it is a question of sympathy with you; you have no sympathy for the consumers of this country who consume something like 800,000 tons of sugar in the year, but you have sympathy for the West Indian growers, whose production is very much smaller than that amount, and who, as regards the amount of the respective charges, would compare to great disadvantage with the consuming public?—I think one man has rights and the other has none; that is the whole history of my sympathies.

5812. Then it is not a question of sympathy?—It is justice too, I think, that the consumer has no right to what he obtains, and that as an economic principle, it is a very bad position to put the consumer in. A temporary benefit of that kind is a thing to be deprecated rather than encouraged as an economic principle.

5813. But I think I remember, that on the last day of your examination you stated that you were very much influenced by a great sympathy for the West India sugar growers?—I said so, because I think they are subjected to a wrong; that is the reason of my sympathy.

5814. You have no sympathy for the people of this country who consume 800,000 tons of sugar in the year?—As bounty-fed sugar eaters, I have no sympathy for them.

5815. Would it not be preferable for us, and more in the interests of the nation at large, to allow some of these bounty-giving countries that are so generous in giving bounties on sugar to ruin themselves; they cannot go on permanently imposing a charge to so large an extent upon their people?—No, I think, and have always thought, that the last Government and the present Government have been strictly correct in their policy in trying to stop it. I think their policy has been a sound one, even although it may temporarily injure the consumer.

5816. But do you not think that it would be a great deal more in our interest to allow these countries to impose these duties and do themselves a positive injury, rather than inflict an injury on the consumers of this country?—No, I am not sure that we shall gain by their being injured.

5817. If they, by a drawback, which must be levied in the way of taxation on their own people, send us their sugar at a cheaper price than they can produce it at, and if that sugar be a benefit to our own consumers, do you not think that it would be more patriotic for us Englishmen to allow them to ruin themselves rather than charge our own people very heavily?—That would not be accordance with my principle of moral action.

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The major consideration always comes into my mind in answering that question, that you are allowing an injury to our trade, and to our West Indian producers, to go on, which ought not to be allowed to go on.

5818. But you have stated that the main-spring, in fact, of your views on the object was a feeling of sympathy with the West Indian growers?—Because they are subjected to a wrong; not for any other reason. I do not know a single grower personally. It is only because he is subject to a wrong that my sympathies are with him.

5819. With regard to that wrong, there would be a hardship inflicted on consumers in this country to the extent of the bounty, which we assume to be 3*l.* per ton on 800,000 tons, which would be two millions and-a-half in round figures; that would be a hardship of a direct character which we can appreciate and understand; now if the amount of the sugars grown in the West Indies be limited as it is to something like a couple of hundred thousand tons, and if the benefit conferred by this change would be limited to the 2*l.* or 3*l.* duty upon that amount, which, as a total, would not much exceed 600,000*l.*, do you consider that the advantage of the 600,000*l.* would be an equivalent for the disadvantage of the two millions and-a-half?—That is a very complex question to go into, as to all that we should win and all that we should lose; but when you have exhausted the bounties you have not got to the bottom of the question by any means. In my report, to which I have often referred before, of the 3rd of August 1878, which is contained in Parliamentary Paper, Commercial, No. 17, at page 8, I say: "I take leave further to refer to a statement made by me in a former report, viz., 'that the system of foreign bounties affects seriously other interests besides those of the Colonial producers and British refiners, such as the carrying trade, wharfingers, brokers, and the dock companies who carry on the business of warehousemen, and the dock labourers. To take one instance, which might be multiplied *ad infinitum*. I find that our imports from Chili exceeded in value 4,000,000*l.* in 1875, and that the country only took 20 tons of refined sugar from Great Britain, whereas she received 12,408 tons from France. If Chili had been able to obtain her supply of refined sugar from this country, which she would have been able to do were it not for foreign bounties, a larger flow of raw sugar would have found its way to this country, and a margin of profit would have been obtained by British refiners, warehouse keepers, wharfingers, shippers, brokers, and others, which is now diverted into foreign channels.'" So that before we make up a balance of the profit and loss, a great many considerations would have to be regarded. If these bounties were abolished we should become probably one of the greatest if not the chief exporting country of refined sugar on account of the cheapness of our coals and iron and machinery.

5820. That is a large subject which I do not care to go into; but turning to another point, would not the return to a system of customs duties lead to a great many difficulties in our customs arrangements?—None whatever. It is the simplest thing in the world to collect any

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fixed rate of duty or any number of fixed rates of duties.

5821. But the whole policy of this country for some time past has been to reduce the number of duty-paying articles, in fact, to a minimum, has it not?—Yes, but there is no difficulty in collecting them whether they are few or many. The difficulties of *ad valorem* duties were very great, but not of fixed duties.

5822. Would it not lead again to a condition of things that we have abandoned, such as bonding warehouses for sugar, a staff of clerks at the customs, and so on?—No bonding warehouses would be required whatever unless we re-imposed our sugar duty, and then it would go into the docks and warehouses as it did before.

5823. With a countervailing duty a man who imported sugar would not necessarily put his sugar into bond, but he would in all probability do so, would he not?—He would have to pay the duty at once. We should not bond him unless we had a sugar duty in this country.

5824. Then with a countervailing duty you would object to a system of bonding?—The same as with corn when there was a nominal duty of 1*s.* per quarter, we did not allow it to be bonded.

5825. Would you insist upon the payment of duty in the same way as you did with corn, measuring it out when it was discharged from the ship?—Yes.

5826. Would not that lead to a very embarrassing system of things as regards the merchants, and importers, and shipowners?—I do not see the slightest difficulty; in fact the greater proportion of the sugar would not be subject to this duty. We should collect a nominal sum in the year. There is no difficulty in importing sugar without drawback. There are 500 sugar manufacturers scattered over the north of France, all manufacturing sugar in bond, and all exporting it without any drawback whatever, and they have given evidence on several occasions that the excise supervision is an assistance to them in carrying out their business, and not an impediment. That is M. George's evidence. Manufacturing in bond is a condition that we might impose without the slightest difficulty whatever, with the example of France before us.

5827. Have you considered the difficulties that must result in connection with sugar, as compared with the discharge of grain cargoes; you compared sugar to corn under the old system, but are you aware that the same operation of levying duty by measurement by bushel, served not alone for the imposition and raising of the duty, but also for the payment of the freight, inasmuch as the freight was paid either by measurement or by weight?—It would not pay a man to bond his sugar with such a duty as that. The bonded warehouses have to pay high rents, and I do not think anybody would desire it; but if they did we should have to meet it. I do not think it is a practical difficulty, and it would hardly arise.

5828. At all events, it is pretty clear by your own admission (and you have given your evidence very fairly, in answer to the questions that I have put to you), that the interests of the consumers do not go on all fours with the interests of the refiners and West India sugar producers?—No, they cannot in this case.

5829. Then an inference that may be drawn from

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from your evidence is this, that our free trade policy does not always make it expedient to buy in the cheapest, and sell in the dearest market?—No, I do not think it does.

5830. Not in the matter of sugar?—Not when other considerations are attached to it. I do not think it is a free trade policy at all, and therefore I cannot approve of it.

5831. The fact is that you think we violate no tenet of free trade if we revert to an import duty on an article of general consumption which is at present free of all duty, and which we have deliberately freed from all duties, provided that article is produced abroad under artificial conditions?—I should say that the elementary principle of free trade is opposed to any artificial production.

Mr. Stewart.

5832. You are thoroughly acquainted with this sugar question; I should like you to inform the Committee the reason why the manufacturer of moist refined sugar is not affected in this country in the same way as the loaf sugar manufacture is?—Because it has not been attacked by foreign bounties.

5833. From what reason is that?—I do not know why they have not attacked it, but perhaps they thought it would cost them too much.

5834. Has there never been any danger of that kind of manufactured sugar being bounty fed?—I believe there was some question of doing it in France, but it was very much discussed, and created rather a sensation, and I think it was abandoned. I fancy the refiners in this country had something to do with stopping it. The public papers and public opinion, and so forth, brought the flagrancy of the case very prominently before the public in France.

5835. But you cannot explain the reason why they have not assailed us in the same way with regard to that manufacture?—The only reason that I can suggest why they have not done so is that it would cost them too much.

5836. In what way would it cost them too much?—If France loses 500,000 l. on loaf sugar she might not be inclined to throw away another 500,000 l. on moist sugar. I do not know how much she can afford to throw away.

5837. In the Treasury letter of the 6th of October 1876, which has already been referred to, the Lords of the Treasury said that “the proposal for a countervailing duty rests upon a principle which the Government of this country could not admit without reversing its whole system of commercial policy;” I think you said that you did not agree with that opinion?—I agree with it as an enunciation of a principle; it is a correct enunciation of a principle; but what I think I said was that I thought it was the function of the Government to deal with cases as they arose, and not to fall back upon the principle, if the principle were unjust.

5838. But this system of Government policy which the Treasury thought the imposition of a countervailing duty would upset, is a system which the Government of this country have adopted for many years?—Yes, they said so.

5839. But you do not agree with that?—I agree that we had then no countervailing duty in this country, and therefore the Government were in the right when they said that.

5840. The Lords of the Treasury also say this, “But it cannot be doubted that if the Govern-

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ment were to act on this doctrine in the present case, it would soon be called upon to do so in other cases also;” do you think that is not a probability?—As I have already said, I do not know any other article which receives a bounty.

5841. You are aware that the Board of Trade imposed certain obligations upon British shipping, for the safety of life and so forth, which obligations, of course, it is impossible for this country to impose upon foreign shipping?—Yes; life-boats, and so forth.

5842. Do you not think that if we attempted to deal with this question by means of a countervailing duty, the shipowners of this country would begin an outcry and say, “We are subjected to an unfair competition with France and other countries; why should we not have some protection of the same kind?”—I agree with the principle, *Salus populi suprema lex*; but I do not agree that the consumer of bounty-fed sugar has rights beyond the producer under natural laws.

5843. You are aware of the question that was before the country some years ago, with regard to the manufacture of paper; our paper manufacturers were, by the Treaty of Paris, subjected to a disadvantage, as compared with foreign paper manufacturers?—Yes.

5844. There was a great outcry at that time, and I suppose you will agree that it was of exactly the same nature as this?—No, it was the converse.

5845. In what respect?—The effect of that treaty was, that the French did not allow the free export of rags. We are not bound to go to France for a supply of rags. It was considered to be an oversight in the treaty, and I think some prominent Member of the House of Commons animadverted upon the unjustifiable carelessness of Mr. Cobden, or used very strong words about his having allowed it to pass unnoticed. It was an omission, and I think it was admitted that they had not considered the matter at the time of the negotiation.

5846. But still our paper manufacturers were put in an unfair position apparently by the action of France?—They were deprived of the supply of rags from France; but that is a different thing from giving a bounty.

5847. But it had the practical effect of producing a bounty as against our manufacturers?—It did not do them much harm. Each country might be supposed to produce its own rags.

5848. In the course of these various negotiations at which you were present, with the representatives of other countries, had you negotiations separately with the different Governments, or was it always in Convention together?—It was always at a Conference, except in one special mission upon which I was sent to Brussels and the Hague, with a view of obtaining some concessions from Belgium to satisfy the demands of Holland.

5849. You stated that you found that one country seemed jealous of the other in conducting those negotiations?—Yes.

5850. Do you think that, if you had attempted to approach the different Governments separately, and to deal with them separately, you would have been more likely to arrive at some satisfactory solution?—It would have been impossible. No one would negotiate unless the other country's hands were equally tied with their own, and they each feared that some other

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other country would obtain some slight advantage; that is to say, would give more bounty, which we call a disadvantage, but which they always looked upon as an advantage. If you read the minutes (and they are well worth looking at on this account) you will notice that when anybody suggested something to save the treasury of a particular country, the reply of the delegate of that country was, "Oh, that is another sacrifice that you ask us to make," when the suggestion would perhaps result in saving 10,000 *l.* to their treasury.

5851. I think you stated that the position of England was one of very great power with regard to this question, and undoubtedly it is so, because I suppose that we are by far the largest market for sugar?—Yes.

5852. You also stated that the various sugar-producing countries interested in this question, would be much obliged to England if she would bring about a solution of their difficulties in regard to this matter?—I think so.

5853. You think that, looking at the commanding position which England holds, there would be no likelihood, and no hope of bringing about this settlement by a separate negotiation with Austria and France, and Belgium and Holland?—Certainly not, after all the negotiations; it would be impossible. The British Government have done everything they possibly could in the way of persuasion; I think the Blue Books and Minutes of the Conferences show that no trouble was spared.

5854. Supposing that this country arranged to go in for a countervailing duty, you would, of course, consider it a very necessary stipulation that the bounty should not be permitted with regard to other countries; that is to say the French, for instance, would not be allowed to go on giving a bounty to their refiners on sugar for export to countries other than England?—She could not give a bounty if she went into bond.

Mr. Bourke.

5855. Going back to 1876, you are aware that there were negotiations at that time between Germany and Austria with regard to a convention?—Yes.

5856. And they declined to enter into a convention of that kind, did they not?—They did.

5857. Have you any reason to think that they have changed their minds since then?—I have no reason to think that they have changed their minds about the negotiations. I think they would possibly change their minds if they saw their way to the convention being made efficacious. The reason why they practically stood out, I think, was that the negotiations had been so unsatisfactory. We had framed treaties, but nobody would make any concessions; and if three people cannot agree what is the use of trying to make a larger number of people agree? I think that is the view which they took. But if Her Majesty's Government said, "We know this is a right policy and we are going to make this policy efficacious," I think the difficulties would all disappear. We could give a guarantee which no other country could give.

5858. You have seen the Memorandum issued by the Foreign Office on this subject, have you not?—I saw it in the form in which it was referred to me to report upon; but I have not read it since.

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5859. Are you commissioned to say whether you generally concur in it; or is there any part of it that you would like to make any comment upon?—I have not had time to read it in its amended form. I criticised it officially. I did not then quite agree with all its policy.

5860. Have you seen, also, the other reports from the Foreign Office upon this question?—Yes.

5861. Have you any remarks to make upon them?—No, I have not any remarks to make. I have not read them in a critical spirit; I have read them rather to get information.

5862. Two remedies have been suggested, one of which is a countervailing duty, and the other is refining in bond; supposing that the British Government did not see their way to putting on a countervailing duty, and supposing that foreign countries could not agree to refining in bond, is there any other remedy that you know of?—I have suggested a remedy in Parliamentary Paper, Commercial, No. 17. I cannot go further than that, I think, in the way of concessions. In that paper I have put an alternative scheme forward. Where the duties are low it is not absolutely necessary to insist upon the bonding system, because the amount of bounty would be very small; and I think the trade of this country and the West India producers, provided they were satisfied that it was so minimised, would be willing that the Government should enter into a treaty with that alternative scheme, that is to say, refining in bond with high duties and under a system suitable to the legislation of the country with low duties.

5863. You have had great experience in the negotiations with foreign countries in respect to these various questions; supposing that a countervailing duty was imposed, do you think that foreign nations generally would be disposed to raise any objection upon the "most favoured nation" clause?—I should think they would very likely raise objections if they wanted to keep their bounties. The answer to that would be that we should have to play off France against Austria under that clause, and say, "Your goods do not come into our market on an equality now by your own act and deed; you have gone behind the article."

5864. If they took a very strong view with regard to the countervailing duty upon our part, they might retaliate upon us by other means, might they not?—Yes, by protective duties.

5865. Or by not carrying out their agreements under the "most favoured nation" clause, because we gain great advantages from Austria and other countries under "most favoured nation" clauses, do we not?—I am not aware of them.

5866. Supposing that Austria or any other country makes a tariff treaty with another European country, say France, and that we have no tariff treaty with Austria, but that we have a "most favoured nation" clause with Austria; and, supposing that Austria then, under that tariff treaty with France, gives France certain advantages, we are entitled to claim from Austria, are we not, under our "most favoured nation" clause, a similar treatment to that which she gives to France?—Yes, Austria could do that; but it must be recollected that we have only got a "most favoured nation" clause with Austria; we have no special advantages; and Austria has no motive whatever in importing French goods in preference

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preference to English goods. She may have a motive in protecting her own industries against the world, but that she should let her own industry be undersold by a Frenchman, and not by an Englishman, it is almost impossible to conceive. I think Austria, in any case, must admit our goods upon the same terms upon which she admits French goods, for her own sake. If she gave us special advantages to the detriment of France it might be a motive, but she does not and would not do so. My argument is that she is bound in her own interest to admit our goods upon the same terms as French goods.

5867. Do you know whether Germany has a tariff treaty with Austria?—I do not know. I think they have lately proposed to levy surtax upon Austrian sugar, if I recollect rightly.

5868. Has it not always been contended that the great advantage derived from the French Treaty of 1860 was that, although it did not establish general tariff treaties throughout the world, at the same time as it did establish a tariff treaty with France, and as other nations then, throughout Europe, gave us the "most favoured" treatment, we, for that reason, were entitled always in future to claim the advantages of all tariff treaties that were made by European nations *inter se*, and that therefore that presented the necessity of our making tariff treaties with other nations?—I should answer that question in this way: that our recent treaties have always been made upon the basis of the "most favoured nation" clause, but the reasons that induced those nations to give us that clause could only be for their own good. When we consider that at the time of the Commercial Treaty of 1860 with France, Mr. Cobden went over there with more than two millions of duties on manufactured articles in his pocket to make a present of, it is astonishing how little we got. On the other hand, I think it is a great credit to the negotiators that they got so much, knowing how protective the French people are; but we shall find a very different state of things when we have nothing to offer in renewing these treaties. It is the interest of the countries to give us the "most favoured nation" clause.

5869. You hold that opinion as a freetrader, but do you think that Austria holds that opinion?—It must be to her interest to give us the "most favoured nation" clause, because when once she admits French stockings at a certain price, she can have no interest in making her population wear bad French stockings in preference to English good ones at the same price. She has no object in excluding the article of any one country at a certain price with a loss to her population, who would have to avail themselves of an inferior article; and, therefore, the "most favoured nation" is really giving nothing at all. If you say that they have reduced their tariff at the instigation of this country, then we have gained something; but I am not aware that Austria reduced her tariff by one single penny to please this country, and I do not believe she did. I believe she merely gave us the "most favoured nation" clause, and has never given us any benefit or privilege whatever.

5870. But if Austria, for some reason or other, as a matter of bargain between herself and France, thinks it is a good thing to reduce her tariff upon some particular article, she might in that way have an inducement to reduce her tariff,

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which she would not otherwise have?—She might; but then I should hope that our own people would not allow it.

5871. Then we get the advantage in that way?—We get the advantage. Your supposition is, I think, that France is going to injure her population by imposing a differential duty against this country, and therefore, as long as we have this Treaty, she cannot injure her population, and she cannot injure us. I do not think we need guard against that, because it is impossible that it can occur.

Mr. *Courtney*.

5872. I do not think it has quite appeared in what capacity you come before us; have you any official representation here?—I am Assistant Secretary to the Board of Customs.

5873. But do you come here to represent the opinion of the Board of Customs, or only as a private person who has had great special experience in these matters?—I was employed by the Secretary of State for Foreign Affairs to conduct the negotiations.

5874. And you are expressing your own opinions exclusively?—Certainly.

5875. With no other authority than your own experience?—No.

Mr. *Bourke*.

5876. The chairman of the Board of Customs is aware that you have come here?—Yes, perfectly; it is with the consent of the Board of Customs that I am here.

5877. I believe Mr. Ogilvie is dead?—Yes.

5878. He was superior, of course?—He was not in the same branch of the service as I am; he was in the outdoor department. He was a practical officer.

5879. He had been engaged in these negotiations before, had he not?—Yes.

5880. Is there anybody else in the Board of Customs at present who has had much experience in these questions?—No, I do not think there is. The only person I could suggest who would throw any light upon the bonding system would be Mr. Lilly, who has had the control of the bonded warehouse at Liverpool, where Cavenish tobacco is manufactured.

Chairman.

5881. Your knowledge of the subject was so great that I understand you were for some considerable time employed in the Foreign Office with reference to all the negotiations that have taken place upon the sugar question?—I was.

Mr. *Bell*.

5882. Did I correctly understand you to say that the bounty on raw sugar exported from Austria was 3*l.* 6*s.* 8*d.* per ton, and on refined sugar, 4*l.* 3*s.* 4*d.*?—Yes; that is the calculation.

5883. If a countervailing duty had to be imposed, what you propose is that instead of making any differential duty between those two, you would lump them together, and call it 3*l.* 10*s.*; is that so?—I would rather not put it as a proposition; I merely suggested that it might be difficult to arrive at the exact figure. We might arrive, as we did in the case of British spirits, at one rate which would answer the purpose. There would be no objection to making two,

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two, or three, or four different duties, and there would be no difficulty in collecting them; but as a Customs official I should prefer one, to simplify the matter.

5884. You would prefer one sum, without saying that it should be exactly 3*l.* 10*s.*?—Yes.

5885. This inquiry is chiefly set on foot in the interest of the refiners of this country, is it not?—I think the West India producers have a very strong feeling in the matter, and the working men, I am told, have come to the front.

5886. The working men would be in the interests of the refiners here?—Yes.

5887. I suppose we may take it that the refiners can get their sugar the better?—Yes, it would increase the consumption; but it must be under conditions in which they can carry on their trade, otherwise it would not be for their benefit. At present the refiners cannot carry on their trade.

5888. I do not quite see how you propose to promote the interests of the refiners, by lumping the two duties together?—I do not propose to consult either interest. That observation was merely with reference to overcoming the difficulty in apportioning these items. I said that we might strike an average, which would be so nearly just as not to call for adverse criticism. I think we might arrange that; but, of course, the interests are not identical.

5889. What I want you to follow now is, to see how far you would be affecting the sugar refiners, by adopting the plan which you propose. According to my figures, if you introduced into this country 100 tons of raw sugar, paying a countervailing duty equal to the bounty, you, the refiner, introducing those 100 tons of raw sugar, would pay exactly 333*l.*; that is to say, it is 3*l.* 6*s.* 8*d.* per ton. From the evidence which we have got, it would appear that out of that 100 tons of raw sugar so imported, the refiner in this country would obtain, at the outside, 80 tons of loaf sugar; would not that be so?—I do not know what the average may be.

5890. Therefore, so far as each ton of loaf sugar is concerned, he would be paying 4*l.* 3*s.* 4*d.*?—Yes.

5891. And now he has to compete with 100 tons of loaf sugar brought into this country, upon which he only pays 3*l.* 10*s.* Therefore, you see, by that provision which you are suggesting, the refiner in this country would lose a considerable sum of money; he would lose the difference between 4*l.* 3*s.* 4*d.* and 3*l.* 10*s.*?—He would be in a better position than he is in now. Now he is contending against the bounty of 4*l.* 3*s.* 4*d.* per ton on refined sugar. Then he would have only to contend against a bounty of 13*s.* 4*d.* per ton.

5892. At all events, he would have to pay 4*l.* 3*s.* 4*d.*, as against 3*l.* 10*s.*?—The bounty on refined sugar is now 4*l.* per ton. He would be in a better position, but he would not be in quite a fair position. That I have admitted all along. These figures would have to be discussed by an International Conference.

5893. As things are at present, at all events he is getting a great advantage in being able to obtain raw sugar from Austria at a very much less price than he did before, and than he would do if there were no bounty?—Cheap sugar would be a great advantage to him, as to all other refiners, if the French refiners allowed him to make use of it,

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but as they do not, he does not get the advantage. The French bounty shuts him out of the market, and, therefore, the bounty on raw sugar is no good to him, as a manufacturer, because he cannot make loaf sugar at all, and, therefore, the advantage that he gains is nil, as regards loaf sugar.

5894. You mean that any gain that he has in buying his raw sugar is counterbalanced by the increased competition that he is meeting with from France?—Yes.

5895. Of course, in order to put him right, it would be necessary for both countries to agree to abolish the bounties?—Quite so.

5896. You mentioned something about various other branches of trade being affected by the artificial interference, as we may call it, of these bounties. That, of course, renders it extremely difficult to tabulate, or formulate the exact position of affairs; we may diminish freights from one port to another, or we may increase or diminish the consumption of coal. You admit that that constitutes a very great difficulty, in formulating the exact loss or gain to this country?—Yes, I should prefer taking the words of my report, which are drawn with some care, as to the various trades affected. If we had an export trade in loaf sugar, in return for the imports from Chili, which amount to 4,000,000*l.*, we should be able to send her sugar. The Chili vessel now has to run over to Rotterdam, or to Havre, to get her cargo of sugar. That instance might be multiplied *ad infinitum*. The dock companies would have a larger amount of sugar landed and warehoused with them. In fact, all these charges represent several margins of profit all round, in which we now do not participate.

5897. Then you think that if we were not weighted by this artificially created impediment to the development of our trade, our natural advantages are such as would enable us to compete successfully with the whole world?—I think quite so. I think we stand in rather an exceptionally favourable position.

5898. You base that chiefly, I think, upon the cheapness of our coal and the cheapness of our iron?—Yes, and machinery.

5899. What is the price of coal in those localities where we are refining sugar?—I have not gone into that question, but I heard the evidence of the sugar refiners here. Mr. Shephard, I think, went into that question.

5900. But you are asserting that the cheapness of coal and iron confers upon us great advantages, and therefore you must know?—I know that coal is cheaper in Newcastle than in London, and that it is cheaper in London than it is in Paris. In Paris the price of coal is, I believe, about double what it is in London.

5901. As I am a native of Newcastle, you will accept my assurance that there is not a pound of sugar refined there; therefore the country is gaining no advantage from having cheap coal in Newcastle. You must take the value of coal at the places where sugar is refined?—Still it is undeniable, I suppose, that cheap coal would enable you to conduct any manufacture which depended upon coal as a large element in its production with advantage. The special reasons which exclude sugar refining from Newcastle may be major considerations; but I suppose nobody would deny the proposition that cheap coal would be an advantage in the manufacture.

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5902. But

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5902. But I want you to prove the proposition that coal where sugar is refined in England, is so much cheaper than coal where sugar is refined in France?—In France sugar is principally refined in Paris, and there coal is very dear.

5903. Where do they get the coal from in Paris?—I do not know; but I believe it is about double the price that it is in England.

5904. Again, you think that our having cheap machinery is an advantage?—I should say that it would be an advantage.

5905. But you are aware that we very frequently import large quantities of machinery from the Continent into England?—Yes.

5906. Therefore it would appear that machinery is not so much cheaper here than it is on the Continent?—Yes, there are a great many things that we import.

5907. Are you aware that people in Demerara, in point of fact, import machinery both from France and from England?—Yes.

5908. You have mentioned, I think, that France at the present moment is throwing away 500,000*l.* a year in the loss she sustains in these bounties, and you said you thought that she did not do so with regard to moist sugar, and that she probably would not like to do so?—I can form no opinion as to that; I only know that she does not do it, and it would be an increased charge upon her treasury if she did.

5909. By parity of reasoning, would you not infer that she would ultimately tire of throwing away the first 500,000*l.*?—She might, and if so, the consumer would be in the same position as if we stopped it at once; but we might possibly have dried up the source of supply in the meantime, and then the consumer would be in a worse position.

5910. As I understand, you do not object to natural laws settling the operations of trade between this and other countries?—No.

5911. Supposing that in the United States it was ascertained that they were carrying wheat that was coming to England at a great loss to the railway companies, and much cheaper than they carried wheat for consumption in their own country, would you consider that a natural law?—The folly of human beings is quite a natural law.

5912. Do you classify the sugar bounties under the head of human follies?—I should answer in the words of Sir Stafford Northcote, that I should consider myself a very profligate Chancellor of the Exchequer if I gave sugar bounties.

5913. They would both be human follies; the giving of the bounty is a folly, and carrying wheat across the United States at unremunerative rates is also a folly?—Yes.

5914. Then do you think that we should be justified in interfering with the view of getting the railway companies to cease charging differential rates on the corn, according to its destination?—I should interfere.

Sir James McGarel-Hogg.

5915. The honourable Member for Hartlepool asked you whether the working men were not working in the interests of the refiners; may I not ask you whether you will not reconsider the answer which you gave to that question; do you not think that they have their own interests to look after?—Certainly, I hardly answered the question properly. Immediately after I had an-

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swered the question, I felt that it was open to misconception; it is in their own interests.

5916. Are you aware that, independently of any other consideration whatever, finding that their own interests were suffering, they combined together to bring the question before the Government?—I understood that they did so, but I had no proof of it except that they held a large meeting entirely composed of working men upon the subject.

5917. Do you not think that that is a pretty good indication that they were suffering very much from the bounties, and the decrease of trade consequent thereon?—I suppose it is.

5918. Could you give us any idea of the numerous trades that are suffering distress by these bounties; are not the coopers, the shipping trade, the docks, the porters, the machinery makers, and many others suffering by them?—No doubt there is a margin of loss in all those trades; and in the shipping interests certainly.

5919. The abolition of the bounties would relieve the distress amongst a vast number of the working classes in Liverpool, London, Glasgow, and many other places, would it not?—I suppose it would.

5920. Do you think that if these bounties could be got rid of, and something done to establish a real basis of free trade, there would be great hopes that these various trades would have a chance of flourishing again?—I think we should have a very large market here, not only for the home consumption, but for exports, if we could compete on even terms.

5921. And, therefore, the shipping industry, which is also depressed, would benefit very much?—Yes, I think so, by larger importations and larger warehousing.

5922. An honourable Member asked you whether the Demerara merchants did not take machinery from France; are you not aware that the greater part of the machinery comes from England?—I could not say; I have not looked into the question, and I am not informed upon the subject. I believe some machinery is taken from France, but I do not know in what proportions.

Mr. Bell.

5923. What do you suppose the total quantity of sugar refined in this country might rise to in the event of there being a countervailing duty?—I cannot tell; it would depend upon how many of the foreign markets we were able to get.

5924. It could not be much more than our consumption, at all events?—I really could not say, without making a calculation of all the exports of all the countries to every place, and seeing what proportion we might naturally expect to get.

5925. Supposing we admit that the quantity of loaf sugar produced here would be 300,000 tons a year, have you any idea of the amount of wages that would be paid in producing it?—No, I have not gone into that question.

5926. We have it in evidence, but speaking from recollection, I think it was something like 2*l.* per ton; 2*l.* per ton upon 300,000 tons would be 600,000*l.* a year; but it is proposed to raise the value of all the sugar consumed in this country nearly 3*l.* per ton?—Yes.

5927. That means that in order to pay those men 600,000*l.* a year we should have to raise the price of the sugar consumed in this country something

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something like two millions and a quarter; would that be consistent with correct views of political economy?—Taking your figures or any other figures, I should say that it had nothing on earth to do with political economy at all; it would be a question of balance of profit and loss.

Chairman.

5928. Supposing that the countervailing duty was exactly equivalent to the bounty, and that the price of sugar to the consumer was raised by the amount of the countervailing duty, would it not equally be raised if foreign countries were to take steps to abolish their bounties?—It would be the same thing exactly.

5929. Then whatever that amount may be, whether it be two millions or two millions and a quarter, or one million, the lost to the consumer would be the same whether it was done by negotiation or by a countervailing duty?—It must be the same if you stop the bounty.

5930. And one of the principles which has been insisted upon by more than one of the ministers who have spoken upon the subject, is that it is not for the ultimate benefit of the consumer that he should buy his sugar below cost price?—Yes.

5931. You yourself have seen expressions of that kind from ministers?—Yes; several ministers have used that argument.

5932. Therefore you believe with them that while the present low price of sugar may be a present benefit to the consumers, it is dearly purchased at the cost of a probable large increase in price to them in the future?—I think so.

5933. It has been assumed, I think, pretty much through this Committee, that the whole of this cheapening of sugar to the consumer comes from the foreigner; is that so?—Yes; they pay it.

5934. But that would only follow if the whole of the sugar which comes to this country came from foreign countries?—Yes.

5935. Does the whole of the sugar which comes to this country come from foreign countries as distinct from our own colonies?—No, certainly not.

5936. Then the consumer does not derive the whole of this benefit from foreign countries?—Whatever the depreciation of price in our market is, is caused by the foreign bounties.

5937. I am not saying that it is not caused by the foreign bounties, but that the whole amount of the benefit which is derived by the British consumer does not come out of the pockets of foreigners?—It certainly does not.

5938. The foreign bounty is what depreciates the price of the article; but seeing that we get the chief proportion of sugar from countries that pay no bounties, a large quantity of which comes from our own colonies, by far the larger part of the reduction in price comes out of the pockets, not of the bounty-paying countries, but of those others who do not pay any bounty at all?—Certainly.

5939. Do you think that not only our own colonists but those other countries that suffer, have some ground of complaint against us for allowing these sugars to come in with a bounty, without taking any steps to prevent them?—It is rather an open question whether they have a right ground of complaint. I have argued that France has a ground of complaint, for this reason, that we have asked France to assist us

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in the matter of our refiners, and France I say has a right to reply, "If we do this for you you must also assist our indigenous sugar industry." Therefore, we have established the claim of France as against us by our demand to them to right us in the matter of the sugar refiners; but whether they have an abstract right is another question.

5940. You used I think the word "robbery" with reference to this bounty?—Yes, of the taxpayers.

5941. A very large proportion of this spoil goes into the pockets of the British consumer out of the pockets of British subjects, does it not?—Yes, certainly that may be maintained.

5942. It comes out of the pockets to a large extent of the growers of sugar in our colonies, does it not?—Yes.

5943. And out of the pockets of our refiners here?—Yes.

5944. You were present I think at the Conference of 1863-64?—Yes.

5945. You are acquainted with all the negotiations that took place with reference to it?—Yes, I was present at them.

5946. Did you ever hear at those conferences the question raised as to what the amount of the British bounty was?—No.

5947. The policy of the Conference was to abolish all bounties, was it not?—Yes.

5948. But there was no special reference to the bounty given by England?—There was a discussion as to whether we gave bounties and other nations gave bounties.

5949. But so far as your recollection goes, the question of the bounties paid by England was no feature in the calling of the Conference?—I did not see the preliminary correspondence which led to the Conference. It was then conducted by the Board of Trade, and I cannot say that there was no such dispatch existing, but I never heard of it.

5950. With reference to the advantage which our refiners derive by being able to obtain their raw sugar at a low figure in consequence of the Austrian bounty; of course, if the French refiner was able to obtain his sugar at the same price as the English refiner, the English refiner would have no advantage in that respect over the French refiner?—No.

5951. Do you know whether France is an exporting country for raw sugar?—Yes, a very large exporting country.

5952. Is it not the natural order of things that the price of a commodity in a country which exports is regulated by the price of the market to which it exports?—Yes.

5953. Therefore, that would go to prove that the price of raw sugar in England and in France is the same?—They are practically the same.

5954. Have you inquired into that subject?—Yes, I have.

5955. And you are able to state that they are the same?—Yes; I should say that they are the same as near as possible, but there are certain varying conditions and charges of freight and so on.

5956. With reference to Austria's refusing to join the conferences, I think you stated that in your opinion it was caused principally by the feeling that the conferences would lead to nothing like the previous ones?—It was my view (but I have no dispatches to bear it out), that the

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previous conferences had been unsatisfactory. The draft convention at Brussels had been thrown out by the Dutch Chambers.

5957. Was the correspondence upon the subject of Austria joining that conference before Austria discovered the large amount of bounties that she was paying away?—I think she must have known that she was paying large bounties in 1866 and 1877, when she was asked to join.

5958. Are you aware when the new Austrian law was enacted, fixing a minimum revenue from the sugar duties?—That is very recent.

5959. Since then?—Since then.

5960. Austria becoming alive to the great losses that she was sustaining by her sugar bounty, passed a law fixing a minimum amount of revenue from the sugar industry?—Yes.

5961. Are you aware of any expression of opinion by any of the Austrian ministers as to the necessity of taking steps to abolish bounties?—Yes, I have previously stated that the Minister of Finance stated, that he thought that it would be necessary to adopt the bonding system as the only means of abolishing the bounties.

5962. That is since the invitation to the conference?—Yes.

Mr. Alexander Brown.

5963. The new Austrian law was passed in 1878, was it not?—Yes, I think so.

5964. Practically, you do not know the effect of that law yet?—No, I do not think the Austrians do yet.

Chairman.

5965. You said that in your opinion the interests of the consumers do not go with the interests of the refiners and producers; but is that altogether true in this particular case; is it to the interests of the consumers, in your opinion, that this bounty should continue?—I think not eventually.

5966. In your answer you referred to the temporary benefit of the consumer?—Yes, I said he was obtaining a temporary benefit.

5967. With reference to this question of the duty on loaf sugar and on raw sugar, you spoke of advocating a duty upon the Austrian sugar of 3 l. 10 s. per ton all round; but is there the smallest reason for putting the same duty upon loaf sugar as upon raw sugar?—There is no reason except that it would be better, I think, if we could have one countervailing duty all over Europe.

5968. You might have one countervailing duty upon refined sugar, and another countervailing duty upon raw sugar; there is no difficulty in ascertaining which is refined sugar and which is raw sugar?—No.

5969. Are you sufficiently acquainted with sugar to know whether beetroot sugar can be used without being refined?—No, it cannot; it is not edible.

5970. Therefore, no improvement in the process of manufacturing beet sugar could make it fit for consumption without its being refined?—I do not know what science may do.

5971. But you do know that at present it cannot be used without being refined?—At present it cannot.

5972. Then where would the difficulty arise in having one duty for loaf sugar and one duty for

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raw sugar?—I do not see any practical difficulty.

5973. Would any difficulty at all arise?—No, not in having two duties, on raw sugar and on loaf sugar.

5974. Therefore, it would be unnecessary to lump the two together, and have a general overhead duty on both?—I think so.

Lord Frederick Cavendish.

5975. Are there not many sugars intermediate between raw and loaf, such as what are commonly called moist sugars?—Yes, they are sugars which have been passed through several processes of refining.

5976. Would it not be hard upon them to put the same duty upon them as on loaf sugar?—It would depend whether the bounty was the same.

5977. I thought your proposal was that there should be only two countervailing duties, one for raw sugar and one for loaf sugar?—My proposition was to lump it altogether, if I could.

Chairman.

5978. I understood you to say with regard to the beetroot sugar which is grown in Austria, that under no existing system of manufacture can that sugar be so prepared as to make it fit for consumption without being refined into loaves?—That is so, as I understand it at present.

5979. There is no difficulty in having one duty upon loaf sugar, and another duty upon raw sugar, is there?—No, I see no difficulty.

Lord Frederick Cavendish.

5980. Then we understand from you that it is impossible, as far as your present knowledge goes, to make moist sugar out of beetroot?—I would rather that some practical refiner answered the question, because I am only speaking from my general impression that it is so now. As a matter of fact, there is no bounty granted except upon loaf sugar. We have never had to deal with any other class.

Chairman.

5981. Some questions were asked as to the difficulty which America might have in refining in bond; but I understand that you advocate, as you have said, that there should be equivalents taken from countries where the difficulties were great?—Yes, provided the duties were low.

Lord Frederick Cavendish.

5982. The duty is very high, indeed, in the United States, is it not?—I do not know what the duty is now. They have indigenous sugar there.

Chairman.

5983. With reference to the "favoured nation" clause, I find that your definition of the "favoured nation" clause is the same definition as that which is given in "Hansard," by Mr. Gladstone, in the debate upon the Contagious Diseases (Animals) Bill; his contention was, that those powers that bound themselves by the same conditions as the five countries proposed to be exempted were entitled to equality?—That is my view entirely.

5984. Equality upon equal conditions?—Yes, that exactly expresses my idea.

5985. We shall probably soon have to treat with

Chairman—continued.

with France, shall we not, for a renewed treaty?—I have heard so.

5986. I believe you have said that in your opinion France has just reason to complain of the disadvantages to which her sugar is subjected by our admitting Austrian sugar with a bounty?—Yes, that is my view.

5987. Do you think it would be bad policy, in view of future negotiations with France, to endeavour to meet her difficulties and to conciliate her?—I should put it in this way: that France having a very important indigenous sugar industry it would certainly conciliate the Government of France if we afforded them redress or assisted them in getting rid of the inequalities to which they are now subjected by the admission of Austrian produce.

5988. What you advocate, I understand, is not that this country should immediately proceed to put on a countervailing duty, but that we should invite sugar-producing countries to join England in a conference with a view to agreeing to a convention to adopt measures for the abolition of bounties?—That is my view exactly.

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5989. And you believe that it would be necessary, in order to obtain that, that a clause similar to the Article XIX. of the Convention of 1864 should be inserted?—That is my view.

5990. What was good policy in 1864, you do not see can be bad policy in 1879?—No, I think it is good policy.

Lord Frederick Cavendish.

5991. Do you think that France would be satisfied with an article similar to that in the Convention of 1864, which simply pledged the Powers to consider the question of a countervailing duty?—It depends upon what interpretation you put upon that article. Some people think there is an obligation contained in it, and in that case she would be satisfied; but if you read that article as having no binding power whatever, I do not think she would be satisfied.

Chairman.

5992. Is there anything else that you wish to mention?—No, I think not.

Mr. GEORGE MARTINEAU, re-called; and further Examined.

Mr. Bell.

5993. I THINK you said that the change of duties took place in 1864; I am speaking now particularly with regard to France?—Yes.

5994. I see that in your answer to Question 91, you mentioned that you could not recollect the exact date, but that there was first a rise of three-tenths in 1871; I do not know what the meaning of three-tenths is; will you explain that?—Three-tenths of the amount of the duty was put on.

5995. Could you from recollection mention what the duty was in 1864, and give the different dates of the alterations of the duty?—I have all the dates, but I have not got them with me I am sorry to say; but I will put that in.

5996. Will you at the same time add the prices of raw and refined sugar at those dates, to show how they were affected?—I will.

5997. At Question 9 you were asked, "How long has the operation of the foreign bounties been felt in your trade?" and your answer was, "I should say since the change in the duties in 1864." To what duties were you referring there?—I was referring then to the English duties.

5998. Then the foreign bounties have been felt in your trade since 1864?—Yes.

5999. Would you do the same with the German duties, if you please?—I think you will find that in the reports of the secretaries of the embassies.

6000. You mention that the British refining industry has fallen off since 1864, owing to the change in the duties; was it owing to the bounties or to the change in our duties?—It was owing to the bounties; the bounties began to tell upon us in 1864.

6001. But I see that in answer to Question 11, you say: "I may say that the foreign refiners had obtained the command of the export markets, and had excluded our sugar from the export markets, previously to 1864"?—Yes.

6002. How did they do that?—By their bounties.

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6003. In Question 11 you were asked, "How is it that the operation of the bounties has been felt principally since 1864?" and you answered, "I think previously to 1864, I may say that the foreign refiners had obtained the command of the export markets, and had excluded our sugar from the export markets." But I understood you to say that the bounties were only imposed in 1864?—No, they began to tell upon us in 1864 in the home market.

6004. You mentioned the fact of 200,000 tons a year of raw sugar being refined into loaf sugar now in this country?—Being refined at that date, I think.

6005. Question 14 is: "How many loaf sugar refineries were there in existence in England in 1864?" and you said, "As nearly as I can ascertain there were about 30 loaf sugar refiners altogether in Great Britain"?—Yes, rather more, I think.

6006. And now there is only one?—There is only one of those 30 remaining. But, I think, I stated that the 200,000 tons of raw sugar that were refined were refined by those 30 refineries.

6007. Then we may take 140,000 tons of loaf sugar as having been turned out in 1864?—Yes; that is a rough estimate.

6008. Have you any idea what the quantity of moist sugar was which was refined in 1864?—I can easily ascertain that for you, but I do not remember it now.

6009. Can you give me any idea with regard to the consumption of loaf sugar in 1864; there were 140,000 tons refined, and I see that 17,250 tons were imported; but that includes other sugars besides?—That includes other sugars besides; but I should think in those days it would be nearly entirely loaf sugar.

6010. Then I see that of the different kinds of refined sugar imported, something like 140,000 tons of loaf sugar was consumed in 1864?—Those imports of foreign refined sugar in 1864 are deceptive, because they include a considerable quantity

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quantity of sugar from Holland which came here in transit. It was reported in the bill of entry as an import, but it really came here merely in transit; and, therefore, I think you can hardly take that as any guide; so that it is impossible to ascertain what was the quantity of loaf sugar that was consumed then.

6011. According to the figures which I have taken out from the Government returns, there were only 17,250 tons of refined sugar imported in 1864?—Yes, of foreign refined sugar.

6012. And there were 9,000 tons exported; so that that does not much affect the figures?—Yes; but still you must remember that the 140,000 tons is only a rough estimate.

6013. Have you any idea what is the consumption of loaf sugar in this country at the present moment?—That is just as difficult to ascertain now as it was then. We have taken the imports of foreign loaf sugar as I gave them to the Committee from the export statistics of foreign countries. I think it comes to about 140,000 tons from France and Holland. Whether we imported any from Germany and Austria I do not know; but I do not think we did to any extent.

6014. What is our actual make of loaf sugar?—It varies very much. For instance, since this Committee began sitting, Mr. Duncan has been obliged to close his loaf sugar refinery, and discharge all his men.

6015. In 1878, what loaf sugar was made in this country?—I could ascertain that for you approximately. I could tell you what I refined. Mr. Duncan refined about 120 tons of loaf sugar a week for half of last year. I should say that we turned out 300 tons a week. These would make a total of 18,500 tons in the whole year.

6016. That makes about 160,000 tons as the consumption of this country in 1878?—Yes.

6017. And it was 148,000 tons in 1864; so that really the consumption of loaf sugar has not greatly increased?—It appears so from those figures; but, as I have said, I confine myself to the estimates, and I should think the consumption of loaf sugar must have increased more than that. I quite admit that it has not increased to anything like the same extent as the consumption of moist sugar has, because, with the low price of sugar, sugar has reached classes which did not consume it before to any extent.

6018. Then you mentioned, I think, that formerly 1,500,000 *l.* of capital was employed in the refining of loaf sugar?—Yes, I mentioned that as a very rough estimate.

6019. But there must surely be a very large increase of capital now employed in the refining of moist sugar, is there not, that was not employed before?—Yes; the moist sugar industry has very much increased.

6020. Have you any idea of what the extent of the moist sugar industry is now in this country?—I should think it is 500,000 tons, or something of that kind, speaking very roughly.

6021. Then what amount of capital do you suppose is engaged in doing that?—I should not like to venture a guess off-hand.

6022. Does it require anything like the same amount of plant for refining moist sugar that it does for refining loaf sugar?—No.

6023. Does it require half the amount?—Yes.

Mr. Bell—continued.

6024. Does it require three-fourths of the amount?—I could not say off-hand.

6025. You know that it is above half?—No, I do not know that it is. I should be very sorry to give an opinion without looking into the matter.

6026. You formerly refined 140,000 tons of loaf sugar per annum, and you are now refining 500,000 tons of moist sugar; so that the amount of capital engaged in refining moist sugar, if it only takes half what it would require to refine the same quantity of loaf sugar, is a great deal more than was formerly employed in the refining of loaf sugar?—Certainly.

6027. So that the industry as a whole has immensely increased?—Yes; but then look how the consumption of sugar has increased.

6028. But I should like to know why it has increased?—Sugar is being consumed at 2 *l.* or 3 *l.* per ton below its cost price at the present moment; that is one reason.

6029. I suppose one may infer what the price of refined moist sugar, and even of refined loaf sugar, was by the value of raw sugar?—Yes.

6030. I have taken out for 19 years the average price of raw sugar calculated from a paper which was put in by Mr. Hogg. In the four years ending 1863, which was before your initial year of 1864, I find that the average price of raw sugar was 23 *s.* 8½ *d.*; do you think that is something like correct?—I have no doubt it is correct.

6031. For the four years ending 1867 the average price was 24 *s.* 3¼ *d.*; for the next four years ending 1871 the price was 25 *s.* 0¼ *d.*; for the four years ending 1875 it was 23 *s.* 6 *d.*; and for the three years ending 1878 it was 26 *s.* 2 *d.*?—Yes.

6032. Now we will take out against these the quantity of raw sugar consumed in this country; and I may mention that I have taken this from the Board of Trade Returns, and I have deducted from the gross quantity the quantity exported, because there was some sugar, I suppose, which came here *in transitu*?—No; raw sugar is exported from the *entrepôts*.

6033. The consumption went up from 480,000 tons per annum, on an average of the first four years, to 760,000 tons per annum on an average of the last three years?—Yes.

6034. But there does not appear to have been any falling off in the price of raw sugar during that time?—Yes, there was a very considerable falling off. I have before me a list which I have no doubt is equally correct with Mr. Hogg's, which I got from the "*Economist*" the other day. This gives the price for the years 1870 to 1878 of refining raw sugar. In 1870 the price of refining raw sugar was 24 *s.*; in 1871 it was 25 *s.* 6 *d.*; in 1872 it was 24 *s.*; in 1873 it was 21 *s.*; in 1874 it was 22 *s.* 6 *d.*; and in 1875 it was 20 *s.* That is a very considerable fall.

6035. It is 21 *s.* 7 *d.* here for 1875?—In 1876 it went up to 29 *s.*, on account of a small falling off in the beetroot crop, which caused a rise of 50 per cent. in the value of sugar.

6036. That was in 1877, was it not?—It began in 1876. In 1877 the average price was 19 *s.* 6 *d.*; in 1878 it was 19 *s.*; and, at the present moment, it is 16 *s.* 6 *d.* Then, again, the duty was taken off.

6037. Have you any account of our own import duties?—I have not with me.

6038. What

Mr. Bell—continued.

6038. What was formerly the duty on sugar for home consumption?—At what date?

6039. At any date previously to 1864?—Previously to 1864 it ranged from 18s.

6040. In 1870 what was the duty; was there any duty then?—Yes, it was 12s., I think, on refined sugar; and then it was reduced to 6s. on refined sugar, and then to 3s. on refined sugar.

6041. In fact, the increase of the consumption would be due to our taking off the duty, would it not?—It would be partly due to that, and partly to the great falling off in price, because those prices are without the duty.

6042. During those 16 years, at all events, there does not appear to have been a falling off in the price of raw sugar, according to Mr. Hogg's figures?—But those figures that you read out just now were the average of three years.

6043. The average of four years?—The average of the last four years is immensely disturbed by that extraordinary rise in 1876.

6044. Take the four years previously to that ending 1875; the average price was 23s. 6d. then?—It was 21s. in 1873; but your figures are the average of the four years.

Mr. Courtney.

¶ 6045. These figures are not averages of years, but averages of months of each year?—The figure that I have there for 1875 is 20s.

Chairman.

6046. May not these prices be for different kinds of sugar from those that Mr. Hogg has given?—I do not know whether the "Economist" is correct, but surely a fall from 25s. 10½d. in 1869 to 21s. 7d. (taking your figure) in 1875 is a very great fall.

Mr. Courtney.

6047. Going back to 1866, what was it then?—It was 22s. 2d. in 1866.

6048. And it was 21s. 5d. in 1863?—Yes.

6049. The price of 25s. 10d. in 1869 was quite abnormal, was it not?—Possibly.

Mr. Bell.

6050. Did you hear Mr. Walpole give his evidence?—Yes.

6051. What would you think of introducing raw and refined sugar at the same countervailing duty?—I think it would simplify the matter very much.

6052. I read out some figures, by which I made out that you would be placed at a considerable disadvantage in paying the same amount of countervailing duty per ton on raw sugar that you would on refined sugar, on account of the loss of weight in the process of refining?—I have not calculated it out, but I do not consider that the difference in bounty on raw and refined from Austria would be very serious.

6053. But is it proposed that we should have a countervailing duty upon sugar, raw and refined, coming from all countries?—Yes; and if that countervailing duty succeeds in stopping the bounty, that is all we want.

6054. It is clearly your interest to get raw sugar as cheaply as possible, is it not?—Yes; of course we do not get raw sugar any cheaper than 0.104.

Mr. Bell—continued.

anybody else does, but we must not curtail the supply of raw sugar.

6055. It is a great advantage to you to get raw sugar cheap, is it not?—It is no advantage to me to get raw sugar cheap because everybody else gets it equally cheap.

6056. Do you mean in Great Britain?—No, in other countries. It is always an advantage to a manufacturer to have his raw material at a low price; but beyond that there is no advantage to us, because all our competitors get it equally cheap.

6057. If any one attempted to take Austrian raw sugar into France, there is a surtax upon it there, and, therefore, you have a distinct advantage in getting cheap Austrian sugar here, of which the French refiners cannot avail themselves at present?—They do not want the Austrian raw sugar; they have plenty of raw sugar of their own.

6058. And the conditions of those duties are such as to enable you to get raw sugar cheaply from Austria?—Not cheaper than the French refiner gets his raw sugar.

6059. That would depend upon what it costs him to produce it, I suppose?—The French refiner pays just as low a price for raw sugar as we do, and, in fact, rather lower.

6060. Supposing that there were no bounty on raw sugar coming from Austria, then I suppose the price of raw sugar coming from Austria would rise, would it not?—I suppose it would. I suppose that the price of raw sugar all over the world would rise.

6061. That may be; but it would not be an advantage to you to have to pay a high price for raw sugar, and then to have to compete with the cheap refined loaf sugar from France?—Our position would be just the same as it is now. We and the French refiners work on exactly equal terms as regards the price of raw sugar.

6062. But you are merely getting a cheap raw sugar from Austria because there is a bounty upon it?—Yes; it cheapens raw sugar all over the world.

6063. It cheapens raw sugar from Austria, and that is the source from which you are getting it?—We are getting sugar from all the other sources of production as well. We get sugars just as cheap from Jamaica as we do from Austria.

6064. But surely whatever the circumstances are, it must be a great advantage to you to get your raw sugar as cheaply as you can?—I do not think it is any advantage to us, except the advantage that there always is in having a cheap raw material, because it causes a large consumption.

6065. Would you rather pay a higher price for raw sugar at the present moment?—I would rather pay a higher price for raw sugar and have the bounties abolished.

6066. That is to say the bounties all over?—Yes; but supposing that only the Austrian bounty were abolished, I do not think we should be at any greater advantage as compared with the French refiner than we are now.

6067. Supposing that the Austrians abolished the bounty on raw sugar, what would be the effect?—I suppose that the price of raw sugar would go up all over the world if it caused the Austrian production to diminish, as we may presume that it would.

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6068. Then

Mr. Martineau.

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Mr.
Martineau.

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1879.

Mr. Bell—continued.

6068. Then if the French bounty on loaf sugar were continued, you would have a cheap loaf sugar competing with loaf sugar refined in this country made from dear raw sugar?—Our loaf sugar would not be made from any dearer raw sugar than the French loaf sugar would. The French refiners and ourselves would be upon just the same terms as we are now. We are both working on a raw material at the same price.

6069. But that is only because you are getting Austrian raw sugar made cheap by virtue of the bounty paid on it by the Austrian Government?—But we are not working on some specially cheap article, as compared with the French refiner. He has just as cheap an article to work upon as we have.

Chairman.

6070. Your position is this, is it not, that the Austrian bounty really reduces the price of the French raw sugar as well as the price of the Austrian raw sugar?—It reduces the price of raw sugar all over the world.

6071. If the Austrian bounty were taken off, it would raise the price of raw sugar in France?—Of course it would; it would raise the level of the value of sugar all over the world.

Mr. Courtney.

6072. Fix any price per ton you like at present for Austrian raw sugar?—I have got the price of Austrian raw sugar reduced to francs per 100 kilogrammes. The price per 100 kilogrammes on the 16th of May was 51 francs for Austrian sugar, yielding 88 per cent. That was what it cost us laid down in our refinery in London.

6073. How much bounty is there on that?—The Austrian bounty, I think, is calculated for the year 1878–9 at 3 s. 5 d. per cwt.

6074. How much is that per 100 kilogrammes?—In gold 8 francs 75 centimes per 100 kilogrammes.

6075. What is the price of raw sugar in Paris?—The price of raw sugar of exactly the same analysis in Paris on the same day was 49 francs 25 centimes; so that the Paris refiner was using cheaper sugar than we were; but it was not sufficiently cheap for us to buy it in France and bring it over here.

6076. What is the duty on importation into France?—If it is above 13 in colour; it is 68 francs 64 centimes per 100 kilogrammes. That is a higher duty than the value of the sugar.

Chairman.

6077. Is that the same class of sugar as that the value of which was 49 francs 25 centimes?—Yes, of which the yield was 88 per cent.

Mr. Courtney.

6078. In fact it is prohibitory, is it not?—No; 68 francs 64 centimes on sugars Nos. 15 to 18, gives them a bounty of 1 franc 68 centimes.

6079. If the Austrian bounty were abolished, the price of Austrian raw sugar would rise to nearly 60 francs per 100 kilogrammes, delivered to you?—It would not do so until the Austrian production had decreased to that amount. Of course, the only thing that would cause the price of Austrian raw sugar to rise would be a decrease in the production.

Mr. Courtney—continued.

6080. The Austrian producer of raw sugar gets 51 francs from you, and he gets 8 francs 75 centimes drawback; so that, in round numbers, he gets 60 francs now?—Yes.

6081. If the bounty were abolished, he would look to get that still?—If the bounty were abolished he would immediately have to drop his price to 51 francs in order to sell his sugar. No doubt the production of sugar has been stimulated by these bounties, and, until that production fell to the natural level, he would have to go on still selling that sugar at 51 francs.

6082. Momentarily he would have to keep it at 51 francs, but he could not go on under such a condition, could he?—We should then see whether he could go on or not.

6083. If he has to get 60 francs in order to pay his way, he could not submit to a reduction from 60 francs to 51 francs, and still go on?—No, if the assertion of an Austrian manufacturer, which I quoted the other day, is true, that he could not live without the bounty.

Mr. Bell.

6084. You mean that if the bounty was suppressed in Austria, the price of raw sugar would rise in Austria, and that along with that rise in Austria there would be a rise in France?—Yes.

6085. In other words, a competition would arise between France and Austria for supplying this country?—Just as there is now.

6086. Can they grow sugar cheaper in France or in Austria?—My knowledge is not sufficient to enable me to venture to express a positive opinion upon that point.

6087. Supposing that the cost of sugar in both those countries was about the same, which country do you think would be most likely to continue longest supplying this country with raw sugar, the Austrian grower having the advantage of receiving from his Government a bounty of 3 l. 6 s. 8 d. per ton?—Presuming the bounty to continue, of course the Austrian would have the advantage.

6088. Therefore it is an advantage to you, as a refiner, for the Austrian bounty upon raw sugar to continue, because we get it cheaper?—We do not get it any cheaper than anybody else does.

6089. At all events you keep a country open which has the power of supplying you more cheaply than France?—No, not more cheaply than France. France exports sugar to this country now.

6090. I think, according to your own evidence, she exports very little?—There were 46,000 tons of raw sugar exported from France in 1878, and 60,000 tons in 1877.

6091. I have compared the five months of the three last years, that is to say, 1877, 1878, and 1879, and, according to my account, we imported from Germany in the first five months of 1877, 29,124 tons; in 1878 it went up to 48,104 tons; and in 1879 it went up again to 68,788 tons. From France, during the same five months of 1877, there were imported only 879 tons of raw sugar; in 1878, 2,378 tons, and in 1879, 6,301 tons?—Yes; but although those figures are small, they are quite sufficient to prove that the two markets are on a level as regards price. If one ton came over from France it would be sufficient to prove that fact.

6092. As

Mr. Bell—continued.

6092. As a matter of fact, according to my calculations, if they are correct, and they are made from the Board of Trade Returns of 1879, the value of the raw sugar imported from Germany was 20·05 £. per ton, and in France it was 22·13 £.?—It was a higher class of raw sugar that came from France.

6093. But anybody who compares the two years' importations and finds that 68,000 tons came from Germany, and only 6,000 tons from France, is entitled to infer that there must be some great advantage in dealing with Germany in preference to France?—You mean to infer that French raw sugar is dearer?

6094. No; I infer that the consumers of raw sugar in this country are deriving a great advantage by having a market open to them in which they can buy ten times the quantity of sugar from the one country that they do from the other?—But you do not mean to imply that German or Austrian raw sugar is cheaper than any other raw sugar of the same quality.

6095. I cannot infer that, because no doubt the effect of getting 68,000 tons from Germany would necessarily be to affect the value of the 6,000 tons that we get from France?—Yes, and all the hundreds of thousands of tons that we get from other countries; but the French refiners compete with us for the sugar from other countries, such as Cuban sugar.

6096. Would you like such a state of things to be set up as would raise the price of those 68,000 tons from Germany to 3 £. per ton?—It would raise the price of all other raw sugar to the same extent, and therefore it would not affect us at all. It would only affect us supposing that we were getting sugar cheaper from Germany than we were getting it from other countries.

6097. But I think it was brought out just now that France could not import sugar from Germany because of the surtax?—No; but the French refiner is using raw sugar at just as low a price as we are in London, and rather lower, because we have to pay the carriage, and he has not.

6098. Is the quantity of sugar which we import from France more or less than the amount upon which they receive bounty; all the bounty they receive, as I understand it, is the difference between 9 tons and 8 tons, or thereabouts; that is to say, when they pay a duty upon what ought to be 9 tons they only pay it upon 8 tons?—They get a bounty on the excess yield, but they get other bounties besides that.

6099. I am now speaking of loaf sugar?—But the loaf-sugar refiner gets other bounties besides the bounty on his excess yield. He gets a bounty, for instance, on the *poudres blanches*, the white sugar. I stated that it was 4 francs 80 centimes per 100 kilogrammes, and he uses about 112,000 tons of it a year.

6100. Does much of that come here?—That is what he uses for his own manufacture of loaf sugar. Upon every 100 kilogrammes of that which he uses he gets a bounty of 4 francs 80 centimes.

Chairman.

6101. Where do you get those figures from?—From the French returns of the quantity of *poudres blanches* duty paid in the year. I think it agrees with the Paper which was put in by one of the French gentlemen the other day.

0.104.

Mr. Bell.

6102. Does that affect you in competing with the French?—Enormously. That is one of our great causes of complaint, that they never put their duties in correlation with the yields of the sugar; and, consequently, the French refiner is gaining an enormous amount of bounty on the use of this white sugar. He gets a bounty of 4 francs 80 centimes, according to my calculation; according to the estimation of M. Lebandy, one of the largest Paris refiners, it is 2 francs 90 centimes. He has recently drawn up a statement of the bounties obtained by the Paris refiners, and that was put in, I think, by one of the French witnesses the other day. He makes one of the largest bounties to be derived from the use of these *poudres blanches*.

6103. Whatever the quantity may be, you and I quite agree in this view: that the sugar industry, as a whole, has enormously increased in the last 20 years; that the amount of capital employed in it in various ways is very much larger now than it was in the year 1864; and that it is not only larger relatively, but that it is also larger taking the consumption per head of the population?—I do not think it can be larger, taking into consideration the increase in the consumption, because the 140,000 tons of loaf sugar which we used to make here is now made by foreigners; therefore, we have lost that to a certainty.

6104. I am including in my view refined moist sugar; I am taking the sugar industry as a whole?—I do not think that the refining industry, as a whole, has increased in proportion to the increase in the consumption; in fact, I am pretty sure that it has not. It certainly has not, as regards the 140,000 tons of loaf sugar, because that is now entirely imported from abroad.

6105. But there are 500,000 tons of moist sugar refined?—Yes, to supply the increase in the consumption.

6106. But I think you will find that that increase of consumption is more than would be due to the mere increase in the population?—I beg your pardon. I thought you meant that the increase in the production of refined sugar had gone on at a greater rate than the increase in the consumption. No doubt the consumption has increased at a greater rate than the population; because the cheapening of sugar by the reduction of duty and bounties combined, has caused sugar to reach a lower class of the population than it did before.

6107. And, therefore, cheap sugar, to that extent, has been a great advantage to the country?—Yes, no doubt.

Lord Frederick Cavendish.

6107.* In your evidence on the first day you estimated, I think, the total capital employed in loaf sugar refineries in the United Kingdom at 1,500,000 £.?—I think I did.

6108. Of which 600,000 £. was sunk as dead capital in the refineries, 600,000 £. was floating capital, and 300,000 £. was employed in subsidiary trades?—I think that was it.

6109. The loaf sugar refining, I suppose, has practically ceased?—It has, except in one or two instances.

6110. Except in those cases, I presume that the floating capital has been diverted to other employments?—Or lost. Many of the loaf sugar

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sugar refiners who have stopped have lost their capital.

6111. What I understand by floating capital is the capital in stock and debts, and so forth?—I mean the floating capital necessary to carry on the business.

6112. That would in most cases be turned to cash when the business was wound up?—Yes; if there was any left to turn into cash.

6113. Did the refiners go on carrying on their business at a loss?—They did, indeed. Messrs. Finzells' firm, which was at one time a very wealthy firm indeed, carried on its business until, I believe, all the capital was lost.

6114. At any rate this floating capital is no longer employed in the business?—No.

6115. Therefore the only capital absolutely employed in loaf sugar refineries at present is a portion of the 600,000*l.* which you spoke of as dead capital?—A portion of that, and a proportionate amount of the floating capital of course.

6116. But the proportion is very small at present?—It is one to one.

6117. Practically one may say that the loaf sugar refining business is at an end?—There are two houses working now instead of 30.

6118. I wish to ascertain what proportion of the 600,000 *l.* is now employed in the loaf sugar refining business?—There is one more closed since I gave my former evidence.

6119. How many refineries are there which have not been applied to other purposes?—That I must ascertain for you. I do not know in my head.

6120. I wish to ascertain as nearly as possible how much capital is now occupied in this refining of loaf sugar?—We have a house lying idle; Mr. Duncan has closed his loaf sugar refinery, and therefore that is lying idle; Mr. Gadesden has a house lying idle; and I think there are two or three others.

6121. Would you say that there are six?—Yes.

6122. Would it be a fair estimate to take one-fifth of the 600,000 *l.*, which you estimate as having been employed in 1864, that is to say, 120,000 *l.*, as the dead capital now lying idle?—Yes, I should think so; but that is a rough estimate.

6123. Is it between 100,000 *l.* and 200,000 *l.*?—Yes; but you must take it as a very rough estimate, unless I looked into it more closely.

6124. It would not exceed 200,000 *l.*, would it? I should think not.

6125. I see by the census of occupations of 1871, that the number of persons employed in sugar refining of all sorts in England, was 2,781; do you suppose that the number has since diminished or increased?—I could not say at all.

6126. But this is an important point from the workman's point of view?—One would have to ascertain how much the refining trade had increased since then, and whether the labour had gone on increasing at the same rate.

6127. What I wish to ascertain from you is, whether, for the sake of a dead capital of 200,000 *l.* at the outside, and of the small number of people now employed in sugar refining, that number having in 1871 been only 2,781, you think it is worth while for this country to undergo all the inconvenience which would arise from imposing a countervailing duty, looking at it from a national

Lord Frederick Cavendish—continued.

point of view?—We have not based our argument upon that.

6128. Would it not be cheaper for the country to pay 10 per cent. at once on the 200,000 *l.* which may be now lying idle, which would be 20,000 *l.*; and 50 *l.* a year to any number of people now employed less than the 2,781, who were employed in 1871?—I think that both the sugar refiner's question, and also the working man's question, is a very small one as compared with the question of the stoppage of the natural supplies, and with a much more important question, which is the interest of the consumer. I think the interest of the consumer is the most important question of all.

6129. You think that as regards the sugar refining interest, and as regards the working people, the question is one of comparative unimportance?—Yes, as compared with the interests of the consumer; I think the question of the interests of the consumers the largest question.

6130. Is any raw sugar consumed in England without passing into a refinery?—Yes, the Demerara sugar.

6131. Is that a considerable proportion of the total import?—No.

6132. I see that in 1862, deducting the exports from the imports of raw sugar, we had a total of 9,600,000 cwt. of raw sugar used in this country; and in 1878 in the same way, deducting the exports of raw sugar from the imports of raw sugar, we had a total of 14,754,000 cwt., that would show an increased use in this country of over 5,000,000 cwt., would it not, the great bulk of which would pass through a refinery?—It would.

6133. That would show that the refining business has largely developed in England?—Yes, but it does not show prosperity.

6134. You have stated that the capital employed in making moist sugar, is considerably less than that employed in making loaf sugar?—Yes, I think it is less per ton.

6135. Is the labour also much less?—Yes.

6136. In what proportion?—I should not like to say off-hand.

6137. But a very large increase in the quantity of sugar refining in England would lead one to suppose that a greater number of people are employed in refining now than were formerly employed. If there are 5,000,000 cwt. more of raw sugar used in this country than there were in 1862, one would naturally suppose that there was a greater number of people employed in refining it?—Certainly.

6138. I think you heard Mr. Walpole's evidence?—Yes.

6139. Do you agree with him that beetroot sugar cannot be used, except in the shape of loaf sugar?—No, I do not think he said that, or if he did, I do not think he meant it; he meant that the moist sugar which now comes over from beetroot countries, which comes direct from beetroot manufactories, is not edible, but of course that can be turned by a further process of refining into a better moist sugar, which might be edible.

6140. Is it not the case that a large quantity of beetroot sugar is imported into this country?—Certainly, for refining.

6141. And we understand from you that, practically, there is only a very small quantity of loaf sugar made in England; therefore, the greater

Lord Frederick Cavendish—continued.

greater proportion of this beetroot sugar which is imported into England must be made into something like moist sugar?—Yes, it can be made edible by a second process of refining; but the point of Mr. Walpole's answer is this: that at present the arrangements in all these foreign countries are made in such a way as only to admit of the exportation of loaf sugar, and the drawbacks are framed on that basis; they do not understand anything as refined sugar unless it is loaf sugar.

6142. Is it not very likely that if they wished to continue to protect this industry, they would adopt their regulations so as to promote this exportation?—Certainly; we have said so over and over again. That is one of the dangers that is hanging over our heads, viz., the danger of destroying the moist-sugar industry in this country by means of bounty.

6143. Is it not likely that if we put on one or two duties only, we should find that our object was defeated?—There would be a very slight difference, and it would not be worth while making the difference.

6144. You think it is a slight difference when you are proposing a duty; but you think it is a very serious difference when it is a bounty?—I mean a slight difference between a countervailing duty to be imposed upon raw sugar as compared with a countervailing duty upon refined; and a countervailing duty to be imposed upon moist refined as compared with dry refined. Where you have only to deal with a duty of 2 s. or 3 s. per cwt., it would not be worth while making the difference.

6145. If I recollect rightly, Mr. Walpole's estimate of the bounty given on Austrian raw sugar was 3 l. 6 s. 8 d., and that on refined was 4 l. 3 s. 4 d.?—Yes; supposing that you had a uniform countervailing duty, I was speaking of the very slight difference that there would be between a duty to countervail 80 per cent. of sugar as compared with a duty to countervail 100 per cent. of sugar.

6146. But the difference between what you would call a just countervailing duty on raw sugar and on refined sugar is very considerable?—Yes, between the two bounties in Austria.

6147. That would oblige you either to make your countervailing duty on refined sugar too low, or that on raw refined sugar considerably too high?—Yes; we have never gone into those details, because we considered that a countervailing duty would stop the evil at once. I am perfectly prepared to face a countervailing duty which will countervail only the amount of the bounty on the raw sugar. I am not afraid of the extra bounty on the refined sugar.

6148. You believe that this country, by threatening to impose a countervailing duty, might oblige all sugar-making countries throughout the world to adopt refining in bond?—I think it would oblige them to abolish drawbacks.

6149. Although you know how very reluctant many countries have been to adopt this manufacturing in bond?—I do not know any country that has been reluctant to adopt manufacturing in bond, except Belgium.

6150. Was not Holland reluctant to adopt it?—Holland has urged it in the most strenuous way for years. Our urging of refining in bond is nothing as compared with the way in which Holland has urged it.

O.104.

Lord Frederick Cavendish—continued.

6151. The representatives of Holland at the conference may have urged it, but the Dutch Parliament has not passed it?—No, but it has been urged by their representatives.

6152. But we must take the Government as representing the country?—Yes, no doubt.

Chairman.

6153. The honourable Member for Liskeard referred to the price of raw sugar in Paris and in London. The honourable Member, taking 51 francs as being the price per 100 kilogrammes, and 8 francs 75 centimes as being the bounty, assumed that the abolition of the bounty would raise the price to 60 francs, in order to enable the Austrian manufacturer to obtain the same price for his sugar as he does now; that of course would be a considerable rise in the price of raw sugar to the refiner here?—Yes.

6154. But if Austrian sugar rose to 60 francs, the French manufacturer of sugar, by exporting sugar from France to England, would also obtain 60 francs, would he not?—Clearly.

6155. And therefore he would not sell it at home at a lower price than he would be able to obtain by exporting?—Precisely.

6156. Therefore, in the case put by the honourable Member, you still say that the price in France would be the same as the price in England?—Yes; I maintain that under any circumstances the price of raw sugar must be the same all over the world.

6157. Cuban centrifugal sugar is used, is it not, both by French and Dutch refiners?—Yes; they have bought a very considerable number of cargoes of Cuban centrifugal sugar lying off the coast lately; and I should like to explain to the Committee a little calculation with regard to this sugar, which I think will show the existence of the bounty almost more forcibly than any other calculation that could be made. They are giving 22 s. 6 d. per cwt. for this sugar, and it yields about 92 per cent., or rather more really, but I believe the average may be taken at 92 per cent. On that basis a cwt. of it yields to the refiner 103 lbs. of sugar and 8 lbs. of molasses. The French refiner is selling these 103 lbs. of sugar at the rate of 24 s. 3 d. per cwt. He is putting free on board for shipment to this country the loaf sugar made from this Cuban centrifugal sugar at that price, and he is getting 5 s. per cwt. for the molasses, so that he gets 22 s. 3½ d. for his 103 lbs. of sugar, and 4½ d. for his 8 lbs. of molasses, which gives him a gross return of 22 s. 7¾ d., he having paid 22 s. 6 d., and his working expenses being certainly not less than 2 s. 6 d. per cwt. He pays 22 s. 6 d. afloat, and it certainly costs him 23 s. laid down in Paris; his total cost therefore is 25 s. 6 d., and his gross return is 22 s. 8 d., so that his net return is a loss of 2 s. 10 d.

6158. That you give as an illustration of the French bounties?—That is the strongest illustration I could give. He loses 2 s. 10 d., unless he manages to get it assessed in such a way as to be estimated to yield 80 or 67; and then instead of making a loss he makes a large profit. We are told that the French refiner gets his sugar assessed according to its analysis; but that is not according to the law, it is merely a permissive clause. But the Dutch refiner still gets his sugar assessed by colour, and we read in some of the French newspapers that the

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Dutch refiners are now getting this Cuban centrifugal sugar in at the fourth class duty.

Mr. Alexander Brown.

6159. I thought those sugars were bought by the Dutch?—By the Dutch and French. Nearly all the cargoes that have been sold lately have been directed to Rotterdam, or Amsterdam, or Havre. That (*producing a sample*) is artificially coloured for evading the duty, and that is below No. 7 of the Dutch standard in colour. That sugar I have had analysed this morning in my own laboratory, and it yields 90 per cent. Therefore if the Dutch refiner got that sugar in at the fourth class duty, he would be assessed as if it yielded 67, and that would be 23 per cent. to the good.

Mr. Stewart.

6160. Would he be likely to get it in at that assessment?—We have read in the newspapers last week (I do not know whether it is true) that some of these cargoes have been assessed as fourth class, and that sample would undoubtedly be assessed as below No. 7; so that this Dutch refiner, instead of losing 2 s. 10 d. per cwt., would gain a very considerable profit.

Mr. Eugene Collins.

6161. What colouring matter do they use for this?—I do not know at all. This (*producing another sample*) is a better coloured one, which would be assessed in the third class. That yields 94 per cent., and that would be assessed at 80, so that they would gain 14 per cent. They gain 23 per cent. on one of these sugars and 14 per cent. on the other in bounty.

Mr. Courtney.

6162. Has the art of colouring sugars much developed since 1864?—It has developed entirely since 1864.

6163. The Demerara planters asserted before that it was practised to a large extent in 1862?—But that was not artificial colouring. The sugar was assessed *bonâ fide* according to the colour, and the colour was natural in those days. If it had not been so, of course Her Majesty's Government would never have adopted the system of classification by colour as a sound system.

6164. Her Majesty's Government are fallible, just as the Dutch Government are?—I can assure you, from my own knowledge of sugar, that there was no artificial colouring in those days.

Mr. Eugene Collins.

6165. I think it was stated in the evidence that it was a practice amongst the makers in Demarara, in those times, not to skim the sugar?—That was not in 1864, that is in recent times. The American refiners gain exactly the same bounties as the Dutch and French refiners do on these sugars; and undoubtedly in Demerara sugar has been made intentionally of a brown colour by not skimming the sugar, which I should call artificial colouring.

Mr. Bell.

6166. What is the object of a man's colouring sugar in such a way that he only cheats the Government out of about 14 per cent., when he can quite as easily and cheaply cheat them out of 23 per cent.?—I suppose they have not arrived

Mr. Bell—continued.

at the perfection of the art. I suppose everybody is not so skilful as the man who made that browner kind. But there is another very important point with regard to colouring, and that is that when it was exposed in 1873, as I described to the Committee in my evidence in chief, the French Government issued the most stringent orders against the artificial colouring of sugar. Since they have adopted saccharimetry as the method of assessing the sugar, they have been requested by the sugar manufacturers of France to permit the colouring of sugar, in order to enable the French manufacturer to get a high price for his sugar by exporting it to Holland or America. A circular has been recently issued by the French Government allowing that; and in France hundreds of tons of sugar are coloured every day for the Dutch market; therefore we are suffering from a combined system in which the French manufacturers are assisting the Dutch refiners to undersell us by their bounty on refined sugar.

Chairman.

6167. You have seen, I presume, this note which has been addressed by M. Léon Say to the Committee?—I have.

6168. You will see by it that M. Say says that no bounty was obtained by French refiners on the export of sugar by using *poudres blanches*, because as a matter of fact only 3,000 kilogrammes were entered for temporary admission in the year 1878?—Yes, I have seen that, and I have also seen the statement of M. Lebaudy, the Paris sugar refiner.

6169. In the statement given by M. Léon Say, what quantity of *poudres blanches* was entered into refineries and paid duty for home consumption in the year 1878?—One hundred and eleven thousand one hundred and eighty-eight tons.

6170. What was the total quantity of beet-root sugar which entered French refineries in 1878 for home consumption?—One hundred and fifty-eight thousand five hundred and twenty-seven tons.

6171. Then may I take it that 111,188 tons, out of a total of 158,527 tons which entered the French refineries in 1878 for refining for home consumption were *poudres blanches*?—Yes; 111,000, out of 158,000.

6172. And that of sugar which was entered for exportation, only 3,000 kilogrammes, which is three tons, of the same kind of sugar was entered in the same period?—Yes.

6173. With regard to that enormous proportion of *poudres blanches* which entered the French refineries in 1878, to make sugar for home consumption, in what proportion does it indicate that loaf sugar consists of *poudres blanches*?—I know what proportion of *poudres blanches* they melt out of their total melt.

6174. What per-centage of loaf sugar is represented by the *poudres blanches*?—They use from 25 to 33 per cent. of their total melt. They stated so in their evidence before the *enquête* in 1872.

6175. Are we to take it that from 25 to 33 per cent. of the whole of the loaf sugar made in the refineries consists of *poudres blanches*, whether for home consumption or for export?—Certainly.

6176. Is it necessary in order to obtain the bounty derived from the use of *poudres blanches* that the *poudres blanches* should be entered for exportation?—

Chairman—continued.

exportation?—No; it is necessary that it should be entered for home consumption.

6177. It is not possible to obtain the bounty by entering it for exportation?—No.

6178. Is it because the yield is correctly assessed which they can obtain from it?—There is no arrangement for entering it for exportation, that I am aware of.

6179. M. Say in that note tells us that by a certain law refiners are able to enter it for temporary admission, but that in spite of that permission, they have only entered three tons in the year 1878?—That is very easily explained.

6180. Your explanation is that by entering it for temporary admission they would be unable to obtain any bounty?—Yes; or, at all events, they would be unable to obtain anything like the bounty that they would obtain by paying duty upon it.

6181. What is the process by which they obtain the bounty; is it by entering it and paying duty?—They pay a duty of 70 francs 20 centimes. According to M. Lebaudy's statement it yields them 99 per cent. of sugar; but they would be obliged in any case to use white sugar for the purpose for which they use *poudres blanches*; and therefore I do not think the yield ought to be taken into consideration. Therefore they ought to pay, as we always paid in this country when there was a sugar duty, a refined sugar duty. The refined sugar duty, although it is 73 francs 32 centimes, according to the tariff on sugar imported from French colonies, and 76 francs 18 centimes on sugar imported from other countries, is, in point of fact, 75 francs as nearly as possible; that is to say, on the average they obtain 75 francs for the certificate of export. For every 100 kilogrammes that they export they receive a certificate of exportation; and they can sell those certificates in the market, and the market price averages 75 francs. Therefore we must take 75 francs as practically the duty on refined sugar in France; so that they get this pure white sugar into the refineries at a duty of 4 francs 80 centimes less than they ought to pay upon it. M. Lebaudy says that the duty is only 99-100ths of 4 francs 80 centimes; but he agrees with me as regards the principle; he says that there is a large bounty as regards *poudres blanches*.

6182. And you say that *poudres blanches* enter into the manufacture of loaf sugar to the extent of 25 to 33 per cent.?—Yes, that can be found in the French Blue Book of 1872.

6183. Although the sugar is entered for home consumption, it practically enters into the manufacture of the loaf sugar, which is exported to that extent?—Yes, it is just as much a bounty as if it was intended for exportation.

6184. And you contend, do you not, that in point of fact the largest amount of bounty is obtained by the use of *poudres blanches*, and, in fact, an indefinitely large amount of bounty?—Yes.

6185. Notwithstanding that only three tons were entered for export in 1878?—Undoubtedly.

6186. That opinion is confirmed by a statement which was made to us on the authority of M. Fouquet, as given to him by one of the largest Paris refiners?—Yes.

6187. It is not likely, is it, that a Paris refiner would place his bounty at a higher sum than he obtains?—No. As I have already said, 0.104.

Chairman—continued.

M. Lebaudy places it rather lower than I estimate it at.

6188. It is not probable that M. Lebaudy would say that he obtained a bounty by the use of *poudres blanches*, if he did not obtain it?—Certainly not.

6189. In this calculation of the amount of bounty obtained by the French refiners, which has been given to us by M. Say, nothing is calculated for any bounty obtained by the use of *poudres blanches*?—Quite so; and I may add, that that is in spite of the fact that this bounty on *poudres blanches* was fully admitted by the refiners themselves, in the evidence which they gave before the superior Council of Commerce in 1872.

6190. Has the Mauritius sugar been affected by the bounty?—I came upon a paragraph, in the money articles of the "Times," the other day, with reference to the Mauritius, which I thought was worth cutting out. The paragraph refers to a report of the Ceylon Company, and the money article goes on to say, with reference to this report: "No dividend can be paid, and the losses on some of the properties held by the company appear to be unascertainable. This is notably the case with the Mauritius properties, which are placed in the balance sheet at a total valuation of 520,950*l.*, against which, however, have to be set priority charges amounting to 141,771*l.* These properties cannot, it seems, be realised at the estimated prices, and the directors, therefore, propose to pass the following resolution at the meeting of the company: 'That the directors be authorised to mortgage all or any of the company's property and estates in Mauritius, for the purpose of securing the repayment of advances to be made for the maintenance and upkeep of the company's property and estates in Mauritius, or any part thereof.'" And then, at the close of the paragraph, it says: "The directors intend to withdraw from the Mauritius as soon as they can get the properties sold. The loss on them last year was altogether upwards of 37,000*l.*"

6191. I think a question was asked by an honourable Member, as to whether any representation had been made in the French Chamber by any of the deputies from the French colonies on the subject; can you give us any information on that point?—Yes, I happen to know that there have been representations. I have read the debate in which those representations have been made in the French Chamber by the colonial deputies.

6192. Something has been said about the rise in price, in 1877, in consequence of the failure of the beetroot crop; I did not gather exactly what that rise was?—That rise in price was fully 50 per cent.

6193. What was the quantity of short coming of the crop which raised the price?—The falling off in the crop only amounted to 270,000 tons on 1,370,000 tons. We must look at that falling off, as compared with the total quantity of sugar consumed which, so far as we know, putting aside China and India, which we know nothing about, amounts to 1,370,000 tons of beet-root, plus about 2,000,000 tons of cane sugar; so that the falling off was only 270,000 tons on 3,370,000; and yet that small amount of decrease in the production caused a rise of price of 50 per cent. I think that is very important, as indicating

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indicating what will happen to the consumer when he becomes entirely at the mercy of bounty-fed supplies.

6194. With reference to the large increase in the sugar refining trade in the past year, that has been, of course, exclusively in the manufacture of moist sugars?—Yes.

6195. And that has not yet been attacked by the French bounties?—No; but it has been threatened.

6196. A proposition of that kind was made in France?—Yes.

6197. And it was only defeated by the exertions of the English refiners; was that so?—Yes. In order to show the manner in which the moist sugar manufacturers feared the possibility of such a thing happening, I may mention that the agitation against these bounties was actually set on foot by the moist sugar manufacturers in the first instance. It was the Greenock sugar refiners who really set on foot this agitation.

6198. You told one of the honourable Members that the French witnesses say that if nothing is done by this Committee they intend to represent their case to the French Government with a view of obtaining a bounty upon raw sugars?—Yes.

6199. That would lead one to suppose, would it not, that they might possibly agitate for the same thing as they were previously agitating for, viz., a bounty upon moist sugar?—The bounty on moist sugar that I spoke of as having been imminent at one time was a bounty on moist sugar made by the refiners in France; but if a bounty were paid to the growers in France these *poudres blanches* would, no doubt, come over here at an excessively low rate, and would very seriously interfere with the moist refined sugar trade in this country.

6200. A considerable quantity of the moist sugar which is made in this country is of that description, is it not?—Yes, white crystallized sugar.

6201. I think in Bristol, for instance, Messrs. Finzel's entire manufacture at one time consisted of that?—Yes; latterly they made yellow moist sugar also.

6202. I think you said that you did not regard the large increase in the trade as a sign of prosperity; will you explain what you meant to convey by that?—I think the instance of Bristol is a clear proof that increase does not necessarily mean prosperity; because I recollect being very much struck by Mr. Shepherd's evidence with respect to Bristol. He said that Bristol went on increasing very rapidly up to 1875; that 1875 was their most prosperous, or their largest year; that then they imported something near 100,000 tons, and that it suddenly fell off to 43,000 tons in 1876. Of course we all know that that sudden decrease was entirely owing to the closing of Messrs. Finzel's large refinery in Bristol, and we also know that Messrs. Finzel's firm was an excessively wealthy firm at one time, and that they did not lose all their money in 1876 or 1875, or even in five or ten years, but that they must have been losing their money gradually. Therefore, I think that is a clear proof that, in spite of the constant increase, the greater part of that refined sugar must have been manufactured at a loss, because when Messrs. Finzel's works closed in 1876, it is well known that none of their large capital was left.

Chairman—continued.

6203. Would you go the length of saying that you regard the state of the moist sugar refining trade even as being critical?—I think so. I think the evidence given by Mr. Neill, from Greenock, that eight sugar refineries were closed on the Clyde, is a clear proof that it is not a very prosperous trade.

6204. Some figures have been given by another witness which show that the export of refined moist sugar from this country is increasing, and is very considerable, and a witness gave us a figure in hundred weights, which made the amount seem rather startling; but is it not the case that, since 1876, the export of moist sugar has been decreasing?—Yes; I think you stated that in your speech in the House of Commons.

6205. But it does not necessarily follow, perhaps, that my figures were strictly accurate?—I happened to take the trouble to check your figures, and I found that it was so.

6206. Will you take the statistical abstract in your hand, and tell me what was the export in 1876?—Fifty-nine thousand six hundred and thirteen tons.

6207. In 1877, what was it?—Fifty-five thousand nine hundred and fifty two tons.

6208. What was it in 1878?—Fifty-two thousand one hundred and two tons.

6209. Those figures show a progressive decrease?—Yes.

6210. Taking 52,000 tons, which was the total export of refined moist sugar from this country in the year 1878, how does that compare with the export of France, for instance?—That 52,000 tons is an export from a country which manufactures about 700,000 tons, I suppose, or whatever it is. Then France, which refines 450,000 tons, exports 200,000 tons; and Holland, which refines 100,000 tons, exports 75,000 tons.

6211. So that France exports 50 per cent. of the whole of the sugar that she refines?—Yes; and Holland exports 75 per cent.

6212. And we export about 8 per cent.?—Yes.

6213. We have distributed throughout the evidence the exports from France and from Belgium, and so on; but it would be convenient if the Committee had them in the form of a table; will you put in that table?—Yes (*the Table was handed in*).

6214. Can you give us any information upon the subject of the growth of beetroot in this country; I believe you have given some attention to that subject?—Yes; I have given a very considerable amount of attention to it. One of the questions asked was about the relative richness of roots grown in this country as compared with the richness of roots grown in foreign countries. Dr. Völcker, the chemist to the Royal Agricultural Society, found 12 per cent. of sugar in roots from Suffolk; 12½ and 13 per cent. in roots from Berkshire; 11½ per cent. in roots from Surrey; 10½ to 13½ per cent. in roots from Yorkshire; and 10, 12, and 13, up to 15 per cent., in roots from Kilkenny. That was in 1870. Since then I have myself taken a considerable amount of trouble in the matter, and I have got roots grown both in Lincolnshire and in the Isle of Thanet; and my own chemist in our laboratory has found 15 per cent. of sugar in roots grown

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grown near Sandwich, in the Isle of Thanet. Therefore, as far as the richness of the roots goes, this country can certainly compete with France.

6215. Do you know what is the richness of the roots grown in France?—Payen says that France averages 10½ per cent. I saw that quoted in some paper; at all events, I know that these roots would compare very favourably with roots grown in France. The roots in Germany and Austria are grown under an artificial system of duty which compels them to grow an excessively rich root; but they do not get so many tons to the acre, and it is better to get 20 tons to the acre of roots, analysing 15 per cent., than 9 or 10 tons of roots analysing 18 per cent.

6216. Is it an exhausting crop?—Not at all. This question of growing beetroot has been gone into, in concert with myself, by a gentleman who is very competent to undertake such a question, the secretary to the Central Chamber of Agriculture, Mr. John Algernon Clarke. He has published very full data on all the points connected with the growth and cultivation of beetroot in this country; and from those materials I can state that it is anything but an exhausting crop, because the pulp returns to the soil very nearly all the mineral matter that the beetroot extracts from the soil. The paper which he has published on the subject, and also those which have been published by Dr. Völcker, the chemist to the Royal Agricultural Society, go very fully into this question of the exhaustion of the soil, and prove most conclusively that it is not an exhausting crop, because nearly all the mineral matter is returned to the soil; and at the same time it is a crop very favourable to the growth of wheat; the deep cultivation necessary to grow beetroot increases the production per acre of wheat. They find in France that the yield of wheat has very much increased since they took to growing beetroot.

Mr. Alexander Brown.

6217. Of course, the deep cultivation adds to the cost of cultivation?—Yes; that is all taken into the estimate of the cost. Then questions were asked about the soil. I think it has been decided that the soil which is best is a clay loam soil. Of course the better the soil the more favourable the crop will be. The cultivation of beetroot also improves the soil and the farming generally. It is very beneficial in that respect; and, of course, one of the most important points connected with it is that it gives employment in the winter time to the rural population in the manufactory. Then the pulp is a very good cattle food. Dr. Völcker has published some very interesting articles upon that point in which he goes very fully into the estimation of the value of the pulp as a cattle food; and he considers that one ton of pulp contains as much solid matter as three tons of mangold wurzel, and that one ton is equal to two tons of mangold wurzel in quality.

Mr. Bell.

6218. But if the pulp was used for feeding cattle, of course, all the mineral matter would not be returned to the soil?—Yes; by the manure.

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Mr. Bell—continued.

6219. You must deduct from the quantity of material which the cattle have eaten their own increment of weight?—Yes; still there is not much mineral matter in that.

6220. What is the bone?—I must refer you to Dr. Völcker for that. Next time I come I can bring the copies of the Journal of the Royal Agricultural Society which dispose of that question. As to the profit to the farmer, if there were no export bounty on the Continent, there is no doubt that the manufacturers of beetroot sugar in this country could afford to give 20 s. per ton for the roots. Of course, it depends upon the crop; but if it is a good crop, I think if he could sell his roots at 20 s. per ton, there would be a very fine profit for the farmer.

6221. How many tons per acre could you grow?—That is the question that has been estimated variously by different people. Mr. John Algernon Clarke, with whom I had a great deal of communication upon the subject some years ago, estimated, from his own experiments, that he could grow from 15 to 25 or even 30 tons per acre, and that he could certainly average 20; but that is on very fine land in Lincolnshire. His estimation of the cost of growth per acre, including delivery two and a-half miles to the factory, was 13 l. 7 s. 6 d. Mr. Biddell, one of the farmers at Lavenham, who has grown roots for Mr. Duncan's factory for a series of years, estimated it at 11 l. 5 s.; but he did not get 20 tons to the acre. Then there is another authority which the Committee might like to refer to. Messrs. Lawes and Gilbert, of the well-known experimental farm at Harpenden, have gone very fully into the matter, and they have endeavoured to ascertain the best way of getting the largest amount of sugar per acre. Of course, in Austria and Germany, they try to get the largest amount of sugar per ton of roots for the sake of the duty; and in France, the farmer and the manufacturer are rather at cross purposes, because the farmer tries to get the largest quantity of roots per acre, quite independently of how much sugar they contain. Twenty francs per ton is 16 s. per ton, and the French farmer cannot make both ends meet at 18 francs per ton. If these bounties were put a stop to I believe it would be a magnificent thing for the British farmers, and also for the farmers in Ireland, because Dr. Völcker found the roots in Kilkenny actually richer than the roots in Suffolk, Berkshire, Surrey, or Yorkshire. At 20 s. per ton for the roots, I believe there would be a profit of very often 3 l. or 4 l. per acre, which, of course, would be a very fine profit to a farmer at any time, and certainly a very fine profit in these times.

6222. You were asked about the relation that the exports of refined sugar into this country bore to the quantity of sugar actually dealt with in this country, and I think, you showed that it was only 8 per cent. But in 1863, which was before you were suffering from this system of bounties, the average over four years of exports of this country was only 9,178 tons?—But they had taken all the export markets from us, as I said in my original evidence, long before 1863. The bounties had existed long before that time, only they had not affected us in this country, because our duties had been of such a nature as

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to keep the foreign refiners from interfering with us.

6223. I understand you to say that this system of bounties has gone on producing an accumulation of evil upon the sugar refiners of this country?—Yes.

6224. But in the four years ending 1871, the quantity of refined sugar exported from this country to Canada was an average of 24,385 tons; but in the three years ending 1878, it went up to 55,843 tons?—Yes, I can explain that. The Canadian legislation has operated so as to entirely preclude sugar refining in Canada, and therefore out of the export which we now enjoy, I should say nearly 50 per cent. went to Canada. I think 23,000 or 24,000 tons out of 50,000 tons went to Canada.

6225. Have you an advantage in sending sugar to Canada beyond that enjoyed by other nations?—No; but you must recollect that we are *par excellence* the manufacturers of moist sugar. The manufacture of moist refined sugar has been really invented in this country. Some of the United States refiners came over here four or five years ago, and went over our refineries to find out how to make this moist sugar, and now they are making it.

6226. In spite of the increasing difficulty which you have to encounter from this system of bounties, as a matter of fact you have been able to double your exports within the last 10 years?—Yes, because of the Canadian tariff, and also because this moist refined sugar is a specialty of this country, and therefore whoever wants this moist refined sugar in foreign countries has to send to England for it.

6227. Then it is a specialty in this country in spite of the bounties?—Bounties do not affect moist sugar in that way.

6228. Do you seriously state that the trade which, in the year 1864, was expressed by 460,000 tons has gone up to 750,000 tons in the face of continued losses to the trade; you said that the increase by no means indicated a prosperous state of things?—No, the Bristol figures prove that most conclusively. Many moist sugar refineries have been given up.

6229. I can quite understand a few refiners giving up; but was the average of the trade a losing one?—It is hardly a fair question for me to be asked, or to have to answer, because I do not want to say anything against the trade of moist sugar refining.

6230. You did say it?—I merely quoted figures, that can only prove one thing. The figures of Bristol prove that Bristol was going on producing moist sugar at a loss for many years; and the fact that there are eight refineries standing idle on the Clyde does not look like a prosperous trade.

6231. I do not think it is right to quote Bristol, or to quote Greenock, and then to leave the Committee to understand that those figures express the general condition of the trade, if they, in point of fact, do not express the general condition of the trade?—I should say that profits have not been made in the moist sugar refining trade in anything like the proportion that they ought to have been made as compared with the increase in the production. As Mr. Easton very

Mr. Bell—continued.

forcibly pointed out to the Committee, the production has enormously increased, owing to the increase of consumption; but the prosperity has not been in anything like the same ratio.

6232. What could induce a man to invest capital in putting up sugar refineries, if he knew that the money would be lost?—When the manufacture was started, some 15 or 20 years ago, it was an enormously profitable manufacture, but of late years it has been anything but that.

6233. If the consumption of raw sugar of this country was 480,000 tons per year, in 1864, I can understand that a speculator, anticipating a greater extension of the trade than was realised, might go into it. By the end of the four years in 1867, it had increased to 510,000 tons, but the next year you had 582,000 tons, and then it went up to 714,000 tons, and in the last three years the consumption of raw sugar has gone up to 760,000 tons?—I can read a list of the houses that have stopped working. It has been explained that many a manufacturer who has a large house and a large plant, and a large quantity of capital sunk in the trade, would rather go on producing at no profit, or even at a slight loss.

6234. He would not build another sugar refinery; surely?—No.

Chairman.

6235. Do I not correctly gather from the evidence, that this is the state of the case; that a very considerable impetus was given to the manufactures of moist sugar in consequence of the largely increased consumption which followed the decrease of the duties?—Certainly, and also in consequence of this moist sugar manufacture having been a new trade altogether; and of course a new trade, when it first starts, always commands large profits.

6236. And for many years it was an exceedingly prosperous trade, was it not?—Yes.

6237. Then the Austrian production of beet sugar, and the increased production of French loaf sugar, reduced the price of loaf sugar so much that it came into active competition with the moist sugar?—No doubt, the low prices of loaf sugar have considerably forced down the prices of moist sugar.

6238. So that, in fact, what was at one time a very prosperous trade has become a trade which is not prosperous?—It is very close work indeed now. Of course there are one or two prosperous men in it, because the best men always succeed; but taking it as a whole, it is a very close trade.

Mr. Bell.

6239. Do you want to put the trade in such a position that the worst men will succeed as well as the best?—No, but I think that the trade, as a whole, ought to be a profitable trade.

Mr. Alexander Brown.

6240. Is it not a fact that all trades in this country have come to very close working now?—Yes, but I do not think that sugar has been affected by the general depression in the country at all, because the consumption of sugar has kept up very well.

6241. But

Mr. *Alexander Brown*—continued.

6241. But the falling of prices and the general difficulty of trade, not only in this country but in all the world, must have had a considerable effect?—Yes, it would have had, if we could have pointed to a decreased consumption; but we cannot point to a decreased consumption, it is an enormously increased consumption. Sir Louis Mallet said that we were suffering from the decreased consumption on the Continent, which had caused more refined sugar to come over to this country. Instead of that, it is exactly the reverse. The consumption in Europe, apart from Great Britain, has been as follows: 580,000 tons in 1872; 670,000 tons in 1873; 687,000 tons in

Mr. *Alexander Brown*—continued.

1874; 679,000 tons in 1875; 726,000 tons in 1876; 705,000 tons in 1877; and 829,000 in 1878. Therefore, instead of the consumption of the Continent lessening, it has been rapidly increasing. (*Statement put in.*)

6242. Where did you get this from?—From Mr. Licht's "Monthly Circular," which appears in Germany.

Chairman.

6243. The certificates of export which are obtained by the French refiner when he exports his sugar are available, are they not, for the discharge of duty upon other sugar?—They are; you will find it stated so in the French law.

Mr.
Martineau.
25 July
1879.

Tuesday, 29th July 1879.

MEMBERS PRESENT:

Mr. Balfour.
Mr. Bell.
Mr. Bourke.
Lord Frederick Cavendish.
Mr. Eugene Collins.
Mr. James Corry.

Mr. Courtney.
Mr. Sampson Lloyd.
Mr. Norwood.
Mr. Ritchie.
Mr. Stewart.
Mr. Thornhill.

C. T. RITCHIE, Esq., IN THE CHAIR.

Sir LOUIS MALLET, C.B., recalled; and further Examined.

Sir
L. Mallet,
C.B.
29 July
1879.

Chairman.

6244. IN coming here to give us the benefit of your opinion, I understand that you do not come in any official capacity, but simply to give us your own individual opinion upon the matter put before you?—Entirely. I have no kind of official claim to be examined by the Committee. I was asked to attend simply in consequence of my having been originally connected with the negotiations which led to the Convention of 1864, and also in consequence of my long connection with the Board of Trade, which have given me a certain experience in matters of commercial legislation and policy.

6245. I think you have published some writings on political economy?—I can hardly say that. I have no claim to be considered as an author on political economy. I have given a great deal of attention to economical questions, but I am not a professional economist.

6246. You hold strong opinions upon the subject of political economy?—I have very strong convictions as to the soundness of the policy of free trade.

6247. In Answer 5659, you spoke of all the parties to the Convention of 1864 being naturally and equally desirous of removing what you call in the same answer an "international nuisance"; that of course refers to the giving of bounties?—Quite so.

6248. Of course you are quite prepared to admit that any such principle as the giving of bounties is an international nuisance?—Most distinctly; nothing can be more contrary to sound principles of commercial policy.

6249. Did the results of the Conference of 1864 confirm the opinion which you express here, that all those countries were equally desirous of removing these bounties?—Certainly; my impression at the time of those Conferences was that all the representatives of those Governments were equally desirous of attaining the end which had been proposed by their different Governments, namely, that of removing in their respective countries the bounties on the exportation of refined sugar.

6250. But is it not the fact that France, notwithstanding repeated remonstrances from us, did

Chairman—continued.

not carry out the convention to which she agreed at the Conference?—It is distinctly a fact.

6251. The other powers, I think, did carry it out?—They carried it out, I believe, very honestly. Whether they completely succeeded in their object I believe is open to question, but their intention was to do so; and at the time we had reason to believe that the measures taken would have been successful.

6252. The chief point which France did not carry out, was the correlation between her duties and the yields, was it not?—It was.

6253. And that was a subject of considerable complaint on the part of the refiners of this country?—It was.

6254. Was it pressed upon France that she was not carrying out the convention by not placing her duties and yields in that correlation which was provided for?—It was pressed very strongly, not only by the British delegates, but also by the delegates of Holland and Belgium; it was our chief object in the subsequent Conferences to impress that fact upon them; and I am bound to say that in the later Conferences, after some time had been given (I am speaking particularly of the Conferences at the Hague, in the year 1868), the French admitted it, but put in a kind of plea *ad misericordiam*. That was the kind of position in which we were placed. The French Government, as you know, had changed in the meantime; it was not the same Government as it was at the time when the Conferences had commenced; the condition of France was very different; various political questions had arisen which embarrassed the Government; and it really came to that; it was a plea for more time.

6255. I think you were present at some of these Conferences when that was the subject of discussion?—I was. I was present at the Conference at the Hague.

6256. It was never admitted by us, I think, that it was impossible for France to carry out that correlation?—Never.

6257. At their urgent request, time was given at one Conference, and then at another, for carrying

Chairman—continued.

carrying out correlation; but ultimately it was never carried out?—It was never carried out.

6258. But you are still of opinion that there was nothing in the position of France which prevented her carrying out that correlation?—I suppose that France might have done it in the sense contemplated by the convention; there were ways of doing it, but it was not done.

6259. Are you aware that the point as to which the greatest amount of complaint arose on the part of our refiners, was the use by French refiners of a sugar which was almost entirely, if not entirely, pure sugar, under the name of *poudres blanches*, on which the refiners only paid duty as on raw sugar?—I believe that was one of the points.

6260. Was it not the chief point by which the French still managed to obtain a large bounty?—The general cause of that bounty was, that by the system of their duties, and the absence of an exact correlation between their duties and their drawbacks, the French refiners were enabled to obtain a larger sum in the form of drawback than they paid in the form of import duty on the raw sugar which they used.

6261. Supposing that a pure sugar entered their refineries upon which they only paid duty as upon raw sugar, it is natural to suppose that they would receive the largest amount of drawback and bounty from the use of that sugar which was nearest to pure sugar?—Undoubtedly.

6262. I do not know whether you are aware of the present condition of the refining trade, or whether you are able to say that that objection holds as strongly now as it did before?—I am not sufficiently acquainted with the present state of the question to give the Committee any very useful opinion upon the subject, but I am quite prepared to believe that it may be so.

6263. But if the objection was good then, it would be stronger now, I imagine, when the duties have increased so very much in France?—As a general principle, undoubtedly the higher the duties the greater the amount of the mischief.

6264. When you said, in answer to Question 5665, that the Convention was found quite impossible of execution, in a literal sense, was it to the difficulties with France that you alluded?—The general meaning of my remark was even broader than that. It had special reference to France, by which country the convention was less completely executed than by either of the other two countries with which we were treating. But I may say to the Committee that my own opinion is that an exact and literal fulfilment of such an arrangement is, in the nature of things, practically impossible. I do not think that any system of import duties and drawbacks can be arranged (at least I am aware of none) by which it is possible to ensure that nothing more or less will ever be given in drawback than is paid in duty.

6265. I suppose you consider that there is much more chance of more than of less being paid?—Undoubtedly very much more.

6266. Then you agree with the evidence which we have had from previous witnesses that really the only sure method by which bounties can be abolished is by refining and manufacturing in bond?—I do, distinctly.

6267. As I think you advocated in some of

0.104.

Chairman—continued.

the Conferences at which you were present?—I, acting under the instructions of my Government, distinctly urged upon the other Powers the adoption of refining in bond in the Conferences which took place in London in 1872.

6268. And you know of nothing which would make you alter your opinion upon that point?—Not in the least.

6269. When, in answer to Question 5669, you said that you hoped and believed at that time that the convention was a step to something better, did you mean that you hoped it would ultimately terminate in a system of refining in bond?—I meant to say that at that time we hoped that we had succeeded in placing things on a somewhat better footing than they were before, and that further Conferences might lead to still further improvement. At that time the question of refining in bond was not, I think, made a subject of formal discussion in the Conferences, but although in my opinion nothing short of refining in bond would be quite satisfactory, still there are various degrees of approach towards a better system. For instance, at that time I distinctly hoped that the French would have complied, at all events, with the literal conditions of the convention, which they did not do.

6270. But I presume that in that answer you assume that the convention was to be carried out?—I did at that time, undoubtedly.

6271. And you hoped that it might lead to something better than the convention?—Yes.

6272. And something which would more effectually abolish bounties?—I did.

6273. I may take it that in your opinion now, the only proper step by which bounties can be abolished is refining in bond?—Or else the abolition of the duties altogether. I believe that to be the only complete method.

6274. In answer to Question 5670, you say, "There does not appear to be any evidence of depression when measured by the test of the exportation of raw sugar, or the importation of refined sugar, or the export of British refined sugar"; do you consider the export of raw sugar to be a test?—That is evidently a misprint. What I said was, "the importation of raw sugar." These are the only three branches of the trade which enable us to test the condition of foreign trade: the importation of raw sugar, the importation of refined sugar, and the exportation of British refined sugar.

6275. Would not a large importation from bounty-fed countries be apt to lead to a depression in the colonial sugar-growing trade?—A large importation from bounty-fed countries, no doubt, would have a tendency to place those countries which competed with the bounty-fed sugar at a relative disadvantage.

6276. So that if a large increase in the importation of raw sugar came from countries granting a bounty, it would be no indication, would it, of prosperity in the colonial sugar-growing trade?—No.

6277. Is the importation of refined sugar an indication of prosperity in the refining trade in this country?—An increase in the importation of refined sugar is simply an indication of a general increase in the consumption of the country, so far as it goes. It may or may not be coincident with the prosperity of the British refining trade; it may, of course, be inconsistent with it.

P P

6278. But

Sir
L. Mallet,
C.B.
29 July
1879.

Sir
L. Mallet,
C.B.

29 July
1879.

Chairman—continued.

6278. But at that time we were speaking; and we are speaking now of the prosperity or the reverse, of the sugar trade, and not of the consuming portion of the community; and I ask you whether you think that an increase in the importation of refined sugar is any indication of prosperity in the sugar refining trade of this country?—Certainly not of itself.

6279. Is it not the reverse?—It may be.

6280. An increase in the export of British refined sugar would, of course, be an indication of prosperity in that particular branch of the sugar trade whose manufactures were sent out of the country?—It is, so far as it goes. It is not a proof, but just as I said in the other case, it is an indication, and I could merely deal with the indications which the tables of foreign trade gave me. It is an indication *prima facie*, undoubtedly, of a progress in the refining trade.

6281. I thought we were at one upon the previous answer, but I am afraid that answer shows that we are not altogether at one. I thought you stated in answer to a question that I put to you, that you did not regard the importation of refined sugar as any indication of prosperity in the sugar refining trade?—Not in itself; nor do I regard the increased exportation of British refined sugar in itself as an indication of increased prosperity in the British refining trade. It is possible that the trade might have been diverted from its home employment to some foreign markets which were particularly suitable. It does not prove that the total refining trade has increased, but it is, so far as it goes, an indication of it.

6282. You cannot say that the increase in the import of refined sugar is, in itself, an indication of its prosperity in the refining trade; why do you use the words in itself; can it in any shape or form be regarded as an indication of prosperity in the refining trade of this country, putting the consumption altogether out of the question, that the imports of refined sugar have greatly increased?—It is a general indication of the increased consumption of refined sugar in the country, but that may or may not be coincident with the increase of home production.

6283. But if the refined sugar which we import takes the place of the sugar which we manufacture, it is an indication of depression in the refining trade?—Certainly.

6284. In part of your answer to 5670 you said, "therefore, evidently, it is not in consequence of any general want of prosperity in the sugar trade of the country that an inquiry becomes necessary; that, I think, cannot be denied." I take it that you qualify those words now to this extent, that the facts you have stated are no indication of prosperity in the manufacturing branches of the trade?—I think the subsequent part of my answer explains my meaning. I begin by saying that as regards all those branches of the foreign trade of which the official statistics enable one to judge, there has been an increase; I then go on to say, that nevertheless it is alleged, and is perfectly possible that particular branches of those industries may, nevertheless, be very seriously depressed, and may be suffering from causes which it may be possible to remove. I intended in that answer to refer to the case of the British refining trade, which I quite admitted might be seriously depressed at

Chairman—continued.

the same time that the different branches of the foreign trade had been increased.

6285. But are you aware that the object of this inquiry is to inquire into the sugar industries of Great Britain and the Colonies?—That I presume to be the case.

6286. And you state here that it is not in consequence of any general want of prosperity in the sugar trade of the country that an inquiry becomes necessary; I suppose you allude to this inquiry?—All I meant to observe was that the inquiry had apparently not been rendered necessary in consequence of any decline in the foreign trade of the country, but in consequence of the depression of particular branches of British industry.

6287. Then you do not mean to imply in that answer that there is no ground for inquiry into the depressed condition of the sugar industries of this country and the colonies?—That was not in the least my intention. On the contrary, I fully admitted it.

6288. In answer to Question 5671, speaking about the import of raw sugar, you say, "In 1876 that amount is reduced to 15,612,000 cwt.;" are you aware of the cause which reduced the import of that year to that quantity?—I am not aware of the cause.

6289. You are not aware that there was a failure in the beetroot crop in 1876?—That was so, no doubt.

6290. Are you aware what effect that failure in the beetroot crop had on the prices of sugar?—The effect, I believe, was very remarkable in sending up the prices and stimulating the importations from other countries.

6291. In 1877 the importation of raw sugar rose to 16,620,000 cwt., but you had not the exact figures for 1878; have you them now?—I have them now. There were 14,918,000 cwt. of raw sugar imported in 1878.

6292. So that there is a remarkable falling off in 1878, as compared with 1877?—There is.

6293. In answer to Question 5674 you say that the exports of raw sugar went up from 240,000 cwt. in 1862, to 476,000 cwt. in 1877; but, I think, in answer to a previous question of mine, you say that that is no indication of prosperity in any of the sugar manufacturing trades of this country?—No, that has no apparent connection.

6294. You said that the exports of raw sugar had gone up from 240,000 cwt. in 1862, to 476,000 cwt. in 1877; do you know what they were in 1878?—I do not think I have the exports in this table.

6295. Perhaps you will take it from me that, according to the Board of Trade Returns, they amounted to 264,000 cwt. of raw sugar in 1878, against 476,000 cwt. in 1877; supposing the quantity to be 264,000 cwt. in 1878, and comparing that with the 240,000 cwt. in 1862, it shows no appreciable difference?—No.

6296. Although the comparison between 1862 and 1877 shows a large increase in 1877, carrying the comparison on to 1878, it gives only about the same amount as in 1862?—Clearly.

6297. Have you the figures of the export of raw sugar for 1865?—I do not think I have the table of the export of raw sugar; it did not appear to me to be a very important branch of the inquiry.

6298. The exports of British refined sugar have

Chairman—continued.

have gone up from 213,000 cwt. in 1862 to 1,119,000 cwt. in 1877; do you know what they were in 1878?—The exports of refined sugar in 1878 were 1,042,000 cwt., as against 1,119,000 cwt. in 1877.

6299. So that since 1876 they have been falling off each year?—There is a decline since 1876 in each year.

6300. You are aware, I presume, that this export of what is called refined sugar is not loaf sugar?—That I am quite aware of.

6301. Do you know whether the moist refined sugar is made anywhere else but in this country?—I do not know to what extent it is made; but I was under the impression that it was made to a certain extent in France; upon that point, however, I am speaking with no personal knowledge.

6302. The imports of refined sugar, I think, have increased, according to your figures, something like 1,000 per cent.?—They increased from 324,000 cwt. in 1862, to 3,266,000 cwt. in 1878.

6303. That is about 1,000 per cent.?—It is about that.

6304. And the importation of raw sugar has increased in the same period 50 per cent.?—Yes; from 10,000,000 cwt. to 15,000,000 cwt.

6305. In Question 5677 you say “those figures show a steady increase in every branch of the trade; in fact, a very remarkable increase”; but what were the raw sugar imports in 1875?—In 1875 they were 16,264,000 cwt., and in 1878 they were 14,918,000 cwt.; I was speaking of course of the total period under discussion, and not of any particular recent year.

6306. Are you aware since what period it is that the very large increase in the growth of beetroot sugar has taken place?—Yes, I am quite aware that it is comparatively recent.

6307. At any rate, since that began to operate there has been a reduction in the raw sugar imports; taking 1875 as the first year, and taking 1878 as the fourth year, the raw sugar imports have fallen from 16,264,000 cwt. to 14,918,000 cwt.?—No doubt in those two years there is that decline; but I think it is impossible to form any conclusion from the figures of any comparative two years.

6308. But it is more than two years; it is three years?—But in the meantime the imports have gone up to 16,620,000 cwt. in 1877, which was nearly as large a quantity as in 1875.

6309. Was not that owing to the rise of 50 per cent. in the price consequent upon the failure of the beetroot crop?—No doubt.

6310. That would naturally draw large supplies from countries that perhaps did not previously send their sugar here?—No doubt the higher the price, the more will the production of sugar be stimulated.

6311. I think we have already said that the increase in the imports of refined sugars is not an indication of any prosperity in the trade here?—It is not.

6312. And although you give the figures of the raw sugar exports, you do not adduce them as in themselves any sign of prosperity in our manufacturing trade?—Clearly not.

6313. And the refined sugar exports since 1876, I think you have already stated, show a decline?—They do.

6314. Looking at all these facts, do you adhere to the statement which you made, that “It is 0.104.

Chairman—continued.

therefore obvious that the existence of depression in particular branches of the trade is somewhat exceptional”?—I had not then the figures of 1878, which, undoubtedly, to a certain extent, modify the view which I then expressed; but I still think that it is too short a period to draw any very general conclusions from the importations of a particular year.

6315. Of course we can only take them for what they are worth. Speaking about the prosperity of the trade generally, in answer to Question 5677, you also say, “Of foreign and colonial refined sugar, the figures are, in 1862, 22,000 cwt., and in 1877, 174,000 cwt.”; but, of course, you would not adduce the fact of the export of foreign and colonial refined sugar as any evidence of the prosperity of the sugar manufacturing industry of this country?—Clearly not. That was merely the general increase of the trade.

6316. Taking these figures for what they are worth, is it a fact that is borne out by the present state of the exports, that those exports are increasing; have you got the exports for 1878, foreign and colonial?—I have.

6317. What do they show?—168,000 cwt.

6318. Against what quantity in 1875?—266,000 cwt., which is very much the largest.

6319. So that there is a falling off between 1875 and 1878 of 40 per cent.?—It is a very considerable falling off.

6320. I think in answer to No. 5678 you give a pretty accurate indication of the process which is going on in the loaf sugar refining trade here, which you say is undergoing “a progressive process of extinction”?—That is a statement which has been made to me; I have no personal experience of the facts; but that seems to be an opinion which is entertained by well-informed persons.

6321. But are you not aware that there has been a very large decrease in the manufacture of loaf sugar in this country?—I am speaking of the loaf sugar.

6322. Are you not aware that it is so as regards this country?—My remark was more general.

6323. You speak in the previous part of that answer about the British loaf sugar refining trade?—My remark was intended to refer to the refining trade generally. The statements that I had heard, to which I ventured to allude, were to this effect: that processes of comparatively recent discovery or application, by which it was found possible to obtain from the raw material sugar very nearly equal to refined by one process, were gradually making themselves felt in the substitution of this sugar obtained by one process from the raw material for the refined sugar which has to go through the second process, and the expensive process of refining. That is, perhaps, more a question of the future than of the present, but that tendency has already manifested itself, and it is a phenomenon which, in legislation, is to be considered; that the French refining trade, which, I believe, consists chiefly of loaf sugar, is very much stimulated artificially by their system of bounties; and that, in point of fact, if it were not so stimulated, it was very probable that that trade also would afford indications of the same injury which our own loaf refining trade appears already to have exhibited. That was rather the idea, in my mind, in the answer to that question.

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6324. May

Sir
L. Mallet,
C.B.
29 July
1879.

Sir
L. Mallet,
C.B.
29 July
1879.

Chairman—continued.

6324. May I take it to be your opinion that, without this bounty, the French refining trade could not exist?—I am not prepared to go to that length, but I think it is extremely probable that if the bounties were removed, we should see the gradual substitution of other processes for the process of loaf sugar refining.

6325. Do you know of any new process which converts sugar into lump sugar?—No; I am not speaking of lump sugar.

6326. Do you know whether the consumption of loaf sugar is decreasing in this country?—I have really no means of knowing; I have seen it stated that it has not decreased.

6327. So that if it has not decreased, some other sugar is evidently not taking its place?—It is probably one of those substitutions which has not as yet gone very far; but I only referred to an opinion that I had heard expressed, that that was one cause which was in operation, and which it would not be wise to leave out of account in looking to the future.

6328. I understand you to say that this process of which you speak is comparatively recent, and has yet to be developed?—That is my impression.

6329. But you are aware, are you not, that it is some years ago since the loaf sugar refiners of this country complained of this industry becoming extinguished?—No doubt.

6330. And at that time the cause of which you speak did not operate?—Apparently not, or probably to a very much less extent.

6331. Therefore we cannot take it that that at present, or in the past, has had any very material effect in what you call the progressive process of extinction of the loaf sugar refining trade?—No.

6332. At any rate, whatever may be the fact as to the substitution, we know as a matter of fact, do we not, that the importation of loaf sugar from the Continent has since 1862 enormously increased?—Undoubtedly.

6333. I think that you have already accepted my statements that it had increased 1,000 per cent., from 324,000 cwt. in 1862, to 3,429,000 cwt. in 1877?—No doubt there has been a very large increase.

6334. In No. 5681, the question which is asked you is, "Speaking now of the British refining trade, to what causes do you attribute the depression which is alleged to exist?" and you say, "I attribute it partly to the substitution in the consumption of sugar in another form than loaf sugar" (I think that we have already disposed of), "and partly to the diminished consumption of sugar on the Continent, owing to the depression which has been notorious during the last year, or whatever period of time may be determined on owing to the very great increase of taxation, and to the notorious poverty which has been the cause of disturbances on the Continent during the last year or two." Have you made any inquiries as to the facts of the case, whether it has diminished the consumption or not?—I have; but I am sorry to say that I have been quite unable to obtain any figures which I could give to the Committee, except figures for so short a period as not to be of any great value. The only figure which I have showing the recent decline in France (as to Germany, I have not been able to obtain any figures) is for the years 1878 and 1879. It appears that the total yield of the

Chairman—continued.

taxes on sugar in France in the first five months of 1878 amounted to 2,506,000 L., and in the first five months of 1879 to 2,430,000 L. That is a slight decline, and to that extent it looks as if no doubt there had been a diminished consumption; but the period is so short that it does not possess any very great value.

6335. I have a statement here, which has been put in, and which I may, therefore, quote from, giving the consumption in Europe, in several years, from Mr. F. O. Licht's Monthly Circular, and I find that in 1869 there was a consumption of 681,000 tons; in 1870, 666,000 tons; in 1871, 699,000 tons; then, going to 1876, the consumption was 726,000 tons; in 1877, 705,000 tons; and in 1878, 829,000 tons, showing a very considerable increase in the consumption in Europe as a whole. You are not prepared to say whether those figures are correct or not?—I have no means whatever of checking them.

6336. They apply to the total consumption of sugar on the Continent of Europe. If it be the case that the consumption has increased from 679,000 tons in 1875, to 829,000 tons in 1878, the second cause to which you attribute the decrease would not hold good?—Certainly these figures do not bear out the statement that there has been a decline in the consumption.

6337. Therefore the second cause to which you attribute the depression in the British refining trade would not hold good?—Certainly not.

6338. In No. 5683 you were asked, "That of course throws more sugar from France and Germany upon the English market?" and your reply, "I think that that has probably had the effect of increasing the supply of raw sugar which has been thrown upon the English market." In No. 5684 the question is, "Do you, yourself, think that any other cause has had an effect upon the sugar refining trade of which you can speak to us?" and your answer is, "I am not aware myself of any other cause"; but do you not think that the bounty system of the Continent is one cause?—I was speaking of the causes, independent of the bounty.

6339. Then in addition to the causes of which you spoke and which we have inquired into, you think the bounty, of which you did not speak, is the other cause?—I think it is quite possible that the bounty may have had a certain effect, but I am not at all disposed to think that the effect of the bounty is anything like so great as is very commonly stated.

6340. You were asked what in your opinion were the causes which led to this depression, and you have given us two causes which we have examined into, and found that by the figures which are given, the depression can hardly be attributed to them; I ask you whether there is not another cause, and you say that in your opinion the bounty also is to be taken into account as being one of the causes of the depression?—I merely said that in the causes to which I was referring, I had not included the question of the bounty; I have not given any opinion as to what extent I considered the depression was due to the bounty.

6341. You would have no hesitation, I presume, in saying that if loaf sugar came into this country with a bounty, and so was sold under cost price, it would have a very depressing effect upon the loaf sugar refining industry?—No doubt.

6342. And

Chairman—continued.

6342. And if raw sugar came in from Austria with a considerable bounty which enabled it to be sold below cost price, it would have a very depressing effect upon the sugar grown in countries in which no bounty was obtained?—Both those questions proceed on an assumption, which may be perfectly correct, but which I am not prepared with my present knowledge to accept, namely, that the effect of these bounties has been greatly to depress the price.

6343. If a foreign country wishes to stimulate a particular industry, and gives a bounty with that view, does it not enable the makers of those goods to send their goods abroad and sell them at below cost price?—Not necessarily by any means.

6344. If the bounty is sufficiently large, has it not that effect?—Of course a bounty may be so large as to have a very great effect in stimulating a particular trade; but it is a notorious incident in protective systems that the effect is by no means an increase of the power of the protected industries to produce cheaply; on the contrary, one of the great arguments against protection is that the effect of protection is not to benefit the protected industry and not to enable them to compete more favourably with unprotected industries. That is an opinion which may be right or may be wrong; but it is one which is so very strongly held by many people that it is an argument which I cannot leave out of account; and I myself greatly doubt whether the effect of this bounty is such as to enable the receivers of the bounty to sell their produce at a very much lower rate than they would be able to sell it at without the bounty.

6345. Do you know how much it costs per ton to make raw sugar into loaf sugar?—No, I have no sort of knowledge as to the details of the trade.

6346. Supposing we assume that it took 2*l.* 10*s.* per ton to produce loaf sugar, and that there was a bounty paid of 3*l.* 10*s.* per ton, do you not think it would be very much more than would be sufficient to countervail any natural advantages which might be enjoyed by the country to which those goods were exported?—Undoubtedly it might have that effect.

6347. Is not that the natural effect of it?—For a time it might have that effect; in the long run I doubt it. I do not in the least intend to imply that these bounties may not have some effect, although by no means I think the full effect which is attributed to them.

6348. Take two countries in the same condition for manufacturing, and suppose that in both those countries the manufacturing is carried on in the best possible way; if the one receives a bounty and the other does not, would not the one which receives a bounty be able to extinguish the trade of the other which does not receive a bounty?—Certainly; but you must, first of all, establish the fact that the two industries are conducted equally efficiently in the two countries.

6349. Assuming that that is so, would it not lead to the extinction of the trade in the country which did not receive the bounty?—On that assumption, no doubt, it would.

6350. And, of course, if this result did not follow, the consumer in the country to which the sugar was sent, would receive no benefit from the bounty?—If sugar is not cheapened he would receive no benefit.

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6351. In No. 5686 you are asked, "There has therefore been a large increase in the supply of raw sugar in this market in consequence of the decrease in the price;" and you reply to that, "There has evidently been a large increase in the supply of raw sugar"; may I take it that you assent to the proposition that is put in the question?—I was referring in my answer to the figures of 1877, which were then before me.

6352. But do you assent to the proposition put in the question, that a decrease in the price will bring a larger supply?—In the long run, no doubt, the cheaper an article the larger the consumption.

6353. But that is after it has been in operation for some time, but a fall in the price of a material is not at the time apt to draw sugar or any other article which it affects into the market?—Certainly not.

6354. In No. 5685 you were asked, "Do you not think it possible that sugars which require more manipulation in order to extract from them the highest possible amount of bounty on exportation have become in great demand abroad, and thereby have depressed the price of other sugars that are not so suitable for manipulation?" but would a demand for a small proportion of the whole production or consumption be likely to lead to a depression in the price of the whole of the remainder?—My intention in that answer was simply to indicate what appeared to me to be a natural consequence of a run upon a particular class of raw sugar which was specially favoured by French legislation. The effect, no doubt, as far as France is concerned, of the refiners being induced to use particular kinds of raw sugar for their purposes, would be to diminish their demand and their consumption of the other kinds of raw sugar, and to that extent to depress the price.

6355. Do you know what proportion of sugar altogether is used by the French refiners, as compared with the whole production?—I am not aware of the figures.

6356. If the whole consumption of the French refiners is 400,000 tons out of a production of 3,400,000, an increased demand for some portion of that 400,000 tons throughout the world would hardly be likely to depress the price of the whole 3,400,000; it is possible that it may raise the price slightly of that proportion which is most in demand, but I think it can hardly be stated that the demand for a very small portion of the whole is likely to depress the price of the remainder?—It is difficult to form an opinion. No doubt the relation of the different quantities of sugar is a very small proportion.

6357. There has been something said, I think, by yourself and by other witnesses, that the refiners of this country are able to make up some portion of the disadvantage that they are placed in in consequence of the bounty on refined sugar, by availing themselves of cheaper raw sugar than that which the Paris refiners are able to avail themselves of; but have you any figures which would indicate what the price in Paris and what the price in London is?—I have no prices whatever. Mine was merely a general remark without any reference to the actual prices in the two countries.

6358. But the price which the refiner in Paris pays for his raw sugar, and the price which the English refiner pays for his raw sugar, are really the tests, are they not, as to whether the one has

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the advantage over the other?—If the French refiner can get his material as cheap as the Englishman, of course, there is no further question.

6359. We have had it in evidence from a witness that the price of moist sugar from which they make their loaf sugar in Paris is the same as in this country; if that be so, of course, our refiners here would have no special advantage over the French refiners?—Undoubtedly; as I have already said, if they have the same raw material at the same price, the English refiners can have no advantage. But my remark was very much based upon the statement of M. Léon Say, in the letter to M. Waddington which has been presented to the Committee, in which he gives a statement of the way in which the importations of Austrian raw sugar into this country have increased within the last few years from 28,000,000 kilogrammes to 123,000,000 kilogrammes, whereas the French raw material has declined from 50,000,000 kilogrammes to 14,000,000 kilogrammes. That appears to indicate that the French refiner found it more to his advantage to import Austrian raw sugar; that he got it cheaper; in fact, that the Austrian raw sugar was underselling the French; and as the French refiner, under present circumstances, has no access to Austrian raw sugar, it seemed to me that the English refiners who have access to it must derive some advantage from it.

6360. But the French refiner has access to colonial sugar, has he not?—No doubt he has.

6361. What is the effect of the enormous importations of Austrian sugar into this country; is it not to depress the price of all sugars?—It has a tendency undoubtedly to depress the price of all sugars.

6362. And if the French refiner is able to avail himself of cargoes of the cane-grown sugar, which cane-grown sugar has been depressed to the value of Austrian sugar, he does not pay any more for his colonial sugar than the English refiner does?—To whatever extent the Austrian bounty tends to reduce the whole of the supply of raw sugar the refiners of all the world would of course get the benefit of it.

6363. If that be true it would not relieve the refiners in this country by enabling them to obtain their raw material at a cheap rate?—My argument was this: that the French refiner, not having access to this particular raw sugar, which is sold cheaper than the other raw sugar, it may be perfectly true that the effect of this fall in the price of Austrian sugar might be to depress the price of other raw sugar in markets in which it is enabled to compete; but in a market like France in which it is not able to compete, the other raw sugar would maintain its original price.

6364. I thought we had come to the conclusion that the effect of the large supply of Austrian sugar at a low price would be to reduce the price of all sugar throughout the world?—In the markets of the world to which the Austrian sugar has access, but not in those markets from which the Austrian sugar is excluded.

6365. But the colonial sugar, which comes here in cargoes, has to compete in price with Austrian sugar?—And is reduced in price in consequence, I presume.

6366. The French refiner is able to avail himself of that source of supply, is he not?—No,

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because the reason that the colonial sugar is reduced in price is because otherwise the Austrian sugar undersells it; and in the French market that reduction is not necessary, because the Austrian sugar is not available.

6367. Taking it in another point of view, France grows more sugar than she consumes, does she not?—Yes.

6368. And therefore she is an exporting country?—Yes.

6369. There cannot be two prices in the same market, can there?—Not for the same article.

6370. If France is a large exporting country, the price of sugar in France is regulated by the price at which it is exported, is it not?—If it is the same article; but the argument is that the sugar needed by the refiner is a particular kind of raw sugar, sugars which are particularly suitable for his purposes in getting the bounty; whereas the British refiner has no motive of that sort for using one kind of sugar more than another, and therefore he draws his raw material from a very much wider source. The French refiner, in order to get the bounty, is limited to the use of particular sugar. The result of that is, of course, to raise the price of those sugars, and of that raw material. The English refiner who has no artificial inducement to use one kind of sugar more than another has access to the raw sugar of all the world, and, therefore, I should think in all probability is able to get his raw material at a lower price.

6371. Assuming that France is a large sugar-growing country, is it not, in the natural course of things, that that kind of sugar most suitable for the purpose of refining would be in the most demand?—Undoubtedly.

6372. And therefore there would be competition in the sale of that sugar as well as in the sale of other kinds?—I suspect that the bounty goes very much into the pockets of the grower, and not into the pockets of the refiner.

6373. Assuming that France is a very large sugar-growing country, will not that kind of sugar which is most suitable for obtaining the bounties be the most largely grown, and therefore will not the competition amongst the growers tend to keep it at its natural price?—That will be the effect in course of time, undoubtedly.

6374. In Question 5688, speaking of the complaints which you have heard from West Indian planters, you indicated that in your opinion there are several causes which operate to make it more difficult for them to compete with the other producers of sugar; and then you proceed to state that, "We draw our supply of raw sugar from a great many sources, and from many of those sources there has been a very considerable increase in the importation in recent years, and it is therefore evident that the West Indies have to compete with sugar from a great many sources and produced in a great many countries. The whole quantity imported into this country is extremely large, and I think it very difficult not to believe that in the course of such competition they may occasionally suffer." Then you go on to speak of the increase in the importation of what are called bounty-fed raw sugars, which you say is not very large, and to carry out the argument which you used in the previous part of the answer, you say, "There has also been a very large increase in the importation of raw sugar from countries now forming part of the British possessions, in which there

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there is no bounty, and therefore I conclude that the bounty is not the only cause, and that if it affects the West India production, it affects it from some cause which is not equally applicable to the producers of sugar in other British possessions, or in other countries where there is no bounty." You say, "The increased importance from some of the British possessions has certainly been very remarkable in recent years." To what British possessions do you refer?—At the time that I gave that evidence, as I have stated to the Committee, I was dealing with the figures of 1877, which of course was an exceptionally large year; and to whatever extent a diminution in the importations has taken place in 1878, it of course qualifies my remark. But speaking generally there are several foreign sources of supply, independent of those which are fed by bounties in which there has been a very considerable increase.

6375. You spoke of the year 1877; but we have already heard that 1877 was the year in which the prices of sugar rose something like 50 per cent. in consequence of the failure of the beetroot crop?—No doubt.

6376. So that that would, of course, account for a very large increase in the imports from those countries?—No doubt.

6377. But I take it that the substance of your answer was that there had not been simply an increase in the importation in that one year, but that there had been a general increase in the growth in countries other than British colonies?—I was merely basing my remark upon the importations into this country. I have no special knowledge of the actual productions of those different countries. I have not prepared the statistics, and it would be far better to obtain the figures from an official source, and from those who have prepared them specially for the purpose. My remark was merely based upon the statements contained in these trade accounts which exhibit the growth of the importations in a series of years.

6378. But, of course, if the figures were fallacious, that is to say, if the year which you quoted, viz., the year 1877, was an exceptional year, owing to a very exceptional rise in the price of sugar, it was quite likely to draw supplies from countries that had not previously sent the whole or any portion of their crop to this country, was it not?—Certainly, but I quite abandon the year 1877. That year was under my eye when I made my remark, but it would be far better to take as the basis of discussion a year which was not of an exceptional character. In the year 1877 the importations were exceptionally large, owing to the failure of the crop in Europe. The year 1878, we may assume to be somewhat exceptionally small; because, after the different sources of supply have been swept clean by an exceptional demand, in all probability there is a reaction. But the year 1878 is the last year we have got, and, therefore, no doubt the figures of that year may be taken for the purposes of discussion.

6379. In the calculation which you placed before the Committee you took two triennial periods and showed the large increase in the importation from countries which were not affected by bounties; in the latter of those two triennial periods the year 1877 was included, was it not?—It was.

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6380. Assuming that the year 1877 brought in large quantities of sugar from countries which had not previously sent us sugar, it would, of course, show a very large increase, taking the average of the triennial periods?—Undoubtedly. At the same time these variations in the trade recur from time to time. The failure of the beetroot crop in Europe is not a thing which occurred only in the year 1876, but it may happen again. If you take long periods of time you make allowance for exceptional years, either of prosperity or of depression.

6381. Then are we to look forward to a periodical raising of the price of sugar by 50 per cent., in consequence of the failure of the beetroot crop?—That I am unable to say.

6382. If we have a recurrence of the same thing it is probable that the effect will be the same, and if the effect of the short crop of beet in one year is the raising of the price by 50 per cent., you may fairly assume that it will have a corresponding effect under similar circumstances?—Under similar circumstances it would probably have a similar effect.

6383. Therefore, I presume you would say that it is of considerable interest to the consumers of this country that a source of supply that is not so dependent upon exceptional seasons and upon other causes should be kept open?—Undoubtedly.

6384. With regard to the question of increase in 1877, we have a paper here giving an account of the crops of sugar; in 1877 we received a considerable additional supply, I think, from the Mauritius?—Yes.

6385. But the crop in 1877 in the Mauritius, I find, was 119,000 tons; in 1870 it was 132,000 tons; in 1872 it was 124,000 tons; and in 1873 it was 126,000 tons; so that it would appear that although we received a larger supply from the Mauritius, it was not in consequence of more sugar being grown there, but in consequence of more sugar coming here as the result of the good prices, which sugar probably previously went to other markets?—No doubt.

6386. In answer to Question 5690, you say that from China in the first triennial period we received 16,000 cwt., and in the second triennial period 547,000 cwt.; but is it not a fact that in the first triennial period we only received sugar from China in one of the three years?—That is quite true.

6387. Therefore, if you take the triennial period, you have to divide the sugar which we obtained in one year by three?—Yes, it is the average.

6388. As to the increase in the second triennial period, have you the figures for each year?—I have them here.

6389. Am I correct in saying that in the first of those three years which showed a large increase, viz., 1876, we received 38,807 cwt.?—I have here 380,000 cwt.; I presume the figures are correct; they were prepared by the Board of Trade.

6390. What was it in 1877?—In 1877 it was 1,115,000 cwt.

6391. That, of course, showed that a very large increase took place in 1877, which was the year of the high prices?—Undoubtedly, and it is a very exceptional case.

6392. Then what was it in 1878?—One hundred and forty-seven thousand cwt.

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6393. Then

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6393. Then in the first triennial period we only received an importation in one year from China, and the second triennial period is enormously swollen by the very great increase which we obtained in the year when prices rose 50 per cent.?—It is undoubtedly so.

6394. Have you the figures for India?—Yes.

6395. In 1873 we received 340,000 cwt., I think, from India?—In round numbers about 320,000 cwt.

6396. What did we receive in 1874?—In 1874 we received about 280,000 cwt., or about 370,000 cwt. if you include the Straits Settlements.

6397. The figures I have here are 276,809 cwt.?—Leaving out the Straits Settlements that would be about it, I think.

6398. And in 1875 we received 430,772 cwt.?—Yes.

6399. That is the first triennial period?—Yes.

6400. Taking the second triennial period, in 1876 we received 456,000 cwt.; in 1877, in consequence of the high price, we received 891,000 cwt., and in 1878 we received 298,000 cwt.?—Yes.

6401. That is an indication that the second triennial period was rendered exceptional in consequence of the high prices realised in 1877, which had the effect of bringing large supplies of sugar which had probably been diverted to other markets before?—Yes, I think that is true.

6402. The increased importation in consequence of those facts which I have alluded to does not indicate that the British possessions are at a disadvantage in the growing of sugar as compared with the other countries which have no bounty, as shown by the increased imports in the last triennial period?—To whatever extent that year was exception, and, no doubt, it was exceptional, the inference which I have drawn is qualified.

6403. At Question 5691 you were asked this: "With regard to that table, I think with the exception of two places, that is to say, the Spanish West Indies, and the British West Indies, they all show a large increase?" and in your answer you say, "There is a reduction in Brazil also; those are the only three; all the others show a large increase"; but do you know what proportion the sugars coming from the Spanish West Indies and the British West Indies bear to the whole cane-grown sugar?—They bear a very large proportion; but I do not know what the per-centage is.

6404. Quite half, do they not?—I dare say that is so.

6405. You promised to bring us the figures showing the increase in the growth of beetroot; have you those figures?—I do not think I have them. The only tables which I undertook to present to the Committee, I think, were the complete tables for every year of the importations of both raw and refined sugar. Those I have prepared, and I will give them to the Committee. I think these questions of statistics had far better be obtained from the Statistical Department of the Board of Trade, which would give them in a more authentic and authoritative form.

6406. Speaking with reference to the beetroot; at Question 5693 I asked you this: "You have not the corresponding figures for those triennial periods?" and you said, "No; but I will have

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that prepared for the Committee?"—I am sorry that I forgot that promise.

6407. I suppose you can say from your own knowledge that the increase in the growth of beetroot has been very large?—I have no doubt that that is so.

6408. I have the figures here in a Return which has been presented, and I find that the production of beet sugar on the Continent has risen from 672,000 tons in 1868, to 1,415,000 tons in 1878, and to an estimated amount of 1,465,000 tons in 1879; that, of course, is a very much larger increase than anything we can attribute to cane-grown sugar?—No doubt it is very large.

6409. At Question 5694 you were asked this: "All those foreign countries, as I understand you, have got uniform sugar duties, have they not, on raw sugar?" and your answer was, "I believe that most of the tariffs on the Continent have not yet uniform duties, but they do not vary very greatly; there is no country in which any attempt is made at a graduation of the duties in the way which formerly existed in this country." Is there not a complete graduation of the duties in Belgium and Holland, and also in America?—That is a very vague statement; and I am not at all informed as to the present state of the tariffs. My impression was that the Continental tariffs were not graduated at all in the sense in which our tariff was graduated. What changes they have made lately I am not at all able to say. I have very much lost sight of the question in the last three or four years, and I am not competent to speak upon it.

6410. But as a matter of fact the graduated scale of import duties which was established by the Convention of 1864 is still in existence, is it not, in Belgium and Holland?—I am not able to say what the present import duties in Belgium and Holland are.

6411. I think the substances of this answer is that the abolition of the graduated scale has taken away the relative advantage that inferior sugars formerly enjoyed; but of course if a graduated scale does still exist, that answer would not hold good?—No, to whatever extent that is not the case it would be qualified. This country used, at the time of which I am speaking, to be the great market for the cheaper sugars, and at that time the existence of the graduated scale was mentioned very much, because it was argued that it would be unfair to those sugars to impose a uniform duty upon all raw sugars. It was a great controversy, and the graduated scale was maintained very much, I believe, at the instance of the West India interest. Therefore I think it is reasonable to suppose that the abolition of the duty which has removed any relative advantage which they might have derived from that system may possibly have had some adverse effect upon them.

6412. But of course the abolition of the duty is the perfection of a graduated scale, is it not?—That of course is a very difficult question. The argument always used to be that the effect of a uniform duty would be the same as the effect of there being no duty.

6413. But how could that be; if no duty is levied, no one sugar can be at a greater disadvantage than another, can it?—No, certainly not.

6414. Therefore from that point of view the abolition

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abolition of the duty is the perfection of a graduated scale?—That proceeds on the assumption that the graduated scale did hold the balance even between the different classes, but that was precisely the question that was contested. The advocates of the uniform duty took the other view, and argued that it did favour one class of sugar as against another.

6415. I took it that your answer was with a view of showing that possibly sugar coming from our sugar-growing colonies was injuriously affected in consequence of the abolition of the graduated scale?—That was the impression that I had.

6416. You mean that they might have had an advantage under the old system, which advantage they would now lose?—Quite so.

6417. And to that extent it would tell more against the low sugars than against the better classes of sugar?—That was my idea.

6418. Do you know what proportion the low classes of sugar bear to the better classes of sugar imported from British Guiana here?—I am not aware.

6419. You are aware that a very large quantity of our cane sugar comes from there?—No doubt.

6420. To the extent of 100,000 tons; but you are not prepared to speak as to whether or not three-fourths of the sugar that comes from there is not of a high class, and one-fourth of a low class?—I have no knowledge whatever upon that point.

6421. If the greater proportion of the sugar which comes from there is of a high class, then of course the abolition of the graduated scale would not be disadvantageous to sugars coming from there?—Certainly not.

6422. And the same thing would hold good with reference to Barbadoes, and in fact any other West Indian colony?—Yes, under similar circumstances.

6423. You do not know what kind of sugar it is that comes from India and China, do you?—No, I have no kind of knowledge of those details, and it would be merely wasting the time of the Committee if I attempted to go into them.

6424. In answer to Question 5697, you say that you "entertain a very great doubt whether, if it were possible to impose an import duty in this country by way of compensating the refiner or the West India planter for the disadvantage which he may suffer from the existence of these bounties, it would have that effect"; but is "compensating" exactly the word which you would apply to the proposition which has been put before this Committee on behalf of the refiners, of countervailing the bounty; it would be no compensation to the sugar manufacturer, would it, in the literal sense of the word "compensation"?—I used it in its popular sense. When a man is suffering from some injury, one says that one would give him compensation, and it was in that sense that I used the word.

6425. But it has never been proposed to give the refiners anything, has it?—I understood that some proposition had been made by which a duty was to be imposed on the importation of bounty-fed sugar, which should have the effect of countervailing the effect of the bounty. That was the proposition which I was discussing.

6426. But no proposition has been made to
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absolutely give anything to the refiners?—By no one, except by myself.

6427. And, of course, the argument on the part of the refiners is, that a countervailing duty, if it exactly countervails the bounty, would simply restore the proper free trade law?—That is the argument.

6428. And they do not put it forward in the way of compensation?—No.

6429. In the same answer you say that if the countervailing duty had the effect of raising the price by anything like the extent of the bounty, it would involve a very considerable burden to the British consumer and the British taxpayer; in what way do I understand that it would involve a considerable burden to the British taxpayer?—It depends, of course, upon the course of legislation.

6430. I was assuming that there was a countervailing duty imposed upon sugar; that would not involve any burden upon the British taxpayer as taxpayer, would it?—If taxation was remitted to the extent of the import duty, the British taxpayer would be in the same position as before. In the first instance, he would have to pay the import duty as a consumer.

6431. Then he would bear the burden, if any, as consumer, and not as taxpayer?—Yes.

6432. You have already told us that you consider these bounties to be very bad things; supposing that they were abolished by means of negotiations such, as you are aware, have taken place for a long time past, would not that also have the effect of raising the price to the British consumer?—That entirely depends upon whether the price has been depressed by the operation of the bounties.

6433. But those negotiations were carried out with a view of relieving our own trade of some disadvantages under which it was suffering by the bounties which were in existence in foreign countries; and if as a matter of fact our trade has suffered by the lowering of the price equivalent to the bounty, then the removal of the bounty would naturally have the effect of raising the price?—That is not my recollection of the primary object of the negotiation. Certainly the origin of the negotiations had no reference to the injury inflicted by these bounties upon the refining industries of particular countries, but to the injury inflicted on the treasuries of the different countries by the drawbacks being in excess of the amounts which had been paid on importation. In fact, it was a charge upon the public Treasury of France and of other countries, in which bounties were given in the shape of drawbacks, which was very inconvenient and very costly, and very important to remove. That was the origin of the negotiations, so far as my recollection goes.

6434. You are referring, I presume, to 1863 and 1864?—To 1863.

6435. But you are aware that there have been several conferences since then?—Yes, constantly.

6436. And that some of them have been initiated by Her Majesty's Government?—Undoubtedly they have.

6437. Of course, Her Majesty's Government could not have initiated them out of any special regard for the finances of foreign countries?—Her Majesty's Government, so far as they initiated subsequent conferences, did so no doubt from different motives. The conference had its origin,

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origin, as I have already stated to the Committee, in a request on the part of M. Fould, who was then Finance Minister in France, to the British Government, to aid him in endeavouring to get rid of a very serious charge upon his exchequer. A conference took place and the Convention of 1864 was agreed to. It was not completely successful, it was defective, and it was, of course, very keenly criticised by those interests which were affected by it, and ever since that time there has been a very considerable and constant representation to Her Majesty's Government as to the unsatisfactory nature of that arrangement, and as to the very great importance with the view of placing those interests on a better footing of getting rid of the bounties altogether; and undoubtedly in subsequent conferences that element has very much entered into consideration, Her Majesty's Government receiving complaints from important industries is very naturally desirous as far as possible of seeing how any remedy can be brought to bear upon an admitted evil. No one would advocate as a right or desirable thing a bounty on a foreign product, coming in competition with an English product, and so far as it is possible to remove it, it is very desirable to do so. To that extent no doubt subsequent conferences have very much considered the effect of these bounties upon British interests.

6438. Then if the effect of the bounty has been, as we have been told by various witnesses before the Committee, to reduce the price to the consumer, the abolition of the bounty would have the natural effect of raising the price to the consumer?—Undoubtedly. The one thing follows the other.

6439. And the object of all the later negotiations which have taken place has been the removal of the bounty?—Undoubtedly.

6440. I think you yourself, in answer to Question 5711, say that you look forward to the time when these bounties will break down with their own weight?—I fully believe that they will gradually disappear under the operation of the self-interests of the Governments who give them.

6441. Of course the natural result, if we get large importations in consequence of the bounties, would be, that the abolition of the bounties by their breaking down of their own accord, will also have the effect of somewhat raising the price to the consumer?—It may possibly have some effect of that kind, but it is very difficult to say. I very much disbelieve that the price has been very much depressed by the operation of the bounties, and therefore I do not believe that it would be very much raised by their abolition; but to a certain extent I am quite prepared to believe that it may be so.

6442. But surely it would be no object for us to endeavour to get these bounties abolished if we did not think that the abolition of the bounties would raise the price?—I have no doubt that is the opinion entertained by refiners, and very probably, to a certain extent, it is a correct view.

6443. Supposing that by the time these bounties break down, our sugar-growing trade and our refining trade are very materially reduced, or, as some witnesses put it very strongly, extinguished; then the natural course of things would lead one to suppose that the price to the consumer would be higher than if those foreign countries

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had our manufacturers to compete with?—Probably.

6444. If the bounties were abolished now, our industries, being alive, would be competitors with the foreign manufacturers and producers?—Undoubtedly, they are still competitors, and they are increasingly competitors.

6445. But if the bounties are not abolished until our trade is extinguished, they would no longer be competitors?—No doubt if our trade is extinguished there could be no further competition.

6446. And that would tend to raise the price, would it not?—Undoubtedly, if our trade was extinguished, the matter would be very mischievous.

6447. At Question 5699, you were asked, "What are your objections to a compensatory duty, on the ground of principle?" and your answer is, "My objection on the ground of principle is this: I assume the principle to be that it is the duty, or at all events that it is a sound policy on the part of the Government, to endeavour to equalise the conditions of production in the interest of the producers of our own country, whenever those conditions have been rendered unequal by the legislation of a foreign country." Have you ever heard that principle attributed to any of those who have appeared before us in the interests of the refiners or sugar growers?—I do not recollect having seen it stated in those words. It was rather an endeavour on my own part to formulate the idea which lay at the root of the propositions that I had seen made. It presented itself to my mind in the form which I stated to they Committee, but I do not recollect having seen it put precisely in those terms by any one.

6448. It has been said on behalf of the refiners and the sugar industries in this country that they desire the Government, by some measures that they wish them to take, to enable them to compete in our own markets with foreign countries, on grounds of perfect equality?—Yes.

6449. You went on to say, that to impose a countervailing duty with the view of equalising the positions of the British and foreign producers is the same thing as to give a bounty to counter-vail a foreign import duty?—Yes, that is my statement.

6450. What is the effect of a foreign import duty? It injures our goods in that one market, but it leaves the other markets of the world open, including our own, does it not?—Undoubtedly.

6451. But it does not follow, does it, that it shuts out goods even out of that one market?—That depends entirely upon the amount of the duty. It might be sufficiently high to exclude the produce, or it might be only sufficiently high to exclude a portion of it.

6452. So that it does not follow that an import duty would have the effect of shutting our goods even out of the country that puts on the import duty?—It would certainly have the effect of shutting out a portion of the trade which would otherwise go there.

6453. It might diminish the quantity, but it would not have the effect of shutting them out?—The effect of a duty in diminishing a trade is to exclude a certain portion of the trade, but it does not exclude the whole.

6454. But does it not follow, in most cases, that an import duty simply raises the price of that article in the country that imposes the im-
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port duty?—It rather prevents it from falling. The effect of a protective duty (and I am speaking entirely of a protective duty) is to enable the maker of the protective article in that country to sell his goods below the cost of production, which is precisely the case which we are now contemplating. It is argued that the French refiner is able to sell his refined sugar below the cost of production, because the French Government makes up to him the difference by a bounty. So in the case of a protective duty imposed by a foreign Government, the foreign Government enables the foreign producer to sell his goods below cost price, protecting him by this duty against the competition of a foreign article within those limits, and thereby making up to him the difference. It is in both cases a subsidy given by the Government to a particular industry to enable them to compete with another industry.

6455. It is done very often, is it not, in order to promote that industry in the country that imposes the duty?—That is very often the object of a protective duty.

6456. And until an industry has been so stimulated as to be able to manufacture sufficient for the demands of the country itself, foreign goods will continue to go in and to pay the import duty?—It depends upon the amount of duty. The duty may be so high as to stop the trade at once, and in all probability it will diminish the trade.

6457. We may take it then that it diminishes the import of the goods on which the duty is imposed?—No doubt that would be the natural tendency.

6458. Of course, as I say, that leaves the other markets of the world open, including our own market?—Yes.

6459. But the effect of the bounty is, is it not, to destroy our trade not only in every foreign market, but in our own also?—That seems to me to be a question entirely of circumstances; it may or may not have that effect. It is quite impossible for any one country to supply all the markets of the world. It really is one of those questions which it is quite impossible to answer. All that I meant to say was this: that to whatever extent the bounty operates in placing the British refiner at a disadvantage, to that extent it is, I suppose, considered right that he should be compensated. It may be that the injury is confined to his own market or it may not; that is quite impossible to say. But it seems to me that the case of a subsidy or a compensation given to a British exporter who exports his goods to a country in which a protective duty is charged upon them, is very much the same; he, in that country, in point of fact, is deprived of his trade; his trade is limited; he is placed at a disability in competing with the producers of that country; and to that extent he has just as good a claim to be placed upon a level with the foreign producer by the action of his own Government, as he has in case of a bounty.

6460. But I am endeavouring to ascertain whether there is not a very considerable difference in the application of the one to the other, and we have already arrived at the conclusion that an import duty in a foreign country only has the effect of damaging the particular trade in that particular country. Always assuming that the conditions of manufacture are the

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same in the country that gives the bounty as in the country that receives the goods with a bounty, I ask you whether the effect of a bounty if the trade is sufficiently large in that foreign country, would not be to extinguish the trade in the country to which those bounty-fed goods are sent?—If the conditions of production are the same in both countries, and the bounty is super-added to the production of one of them, undoubtedly it would be quite impossible for the other to compete.

6461. We will take it that we put on a countervailing duty exactly equivalent to the bounty; then the effect of the countervailing duty would be to collect the bounty at the port to which it comes, would it not, and to distribute it amongst the general body of the taxpayers of the country?—That would be one of its effects, but by no means the whole. The French refiner who got his bounty on exporting his produce would have to pay it over on landing his goods in England.

6462. If that were the effect of a countervailing duty, do you not think it would in the result naturally stop the bounty if the bounty was simply taken out of the pockets of the taxpayers of France, and put into the pockets of the taxpayers of England?—One does not understand the meaning of the word “naturally” applied to a very artificial system; but judging by the past history of legislation in foreign countries in which protection is still prevalent, it is more probable that the effect would be that the bounty would be doubled.

6463. Supposing that the bounty were doubled, what would hinder us from doubling our countervailing duty?—It would be the only logical thing to do.

6464. Therefore the effect of their doubling their bounty would be to increase our advantage?—If it is to be considered an advantage. It would certainly be doubled.

6465. So that if the bounty is countervailed here, and collected and distributed amongst our taxpayers, and a foreign country was to meet that countervailing duty by an additional bounty, it would be very easy for us to put on a further countervailing duty, would it not?—No doubt.

6466. And we should collect so much the more?—We should, no doubt; and if that were all, I should think it an unwise policy, but it is a kind of game that might last a long time. Although, as I have already stated, one effect would be what you say, viz., the recovery of the bounty, it would ultimately have the very much wider effect of raising the price of the whole of the sugar imported, whether bounty-fed or not, and it would throw upon the consumers an enormous charge, which it would be, of course, almost impossible to inflict upon them.

6467. But the breakdown of the bounties altogether would have the same effect; I am assuming in the questions that I put to you that the countervailing duty is exactly equivalent to the bounty, and that the conditions of the two countries for manufacture are the same, but if the bounty were to break down of its own weight, it would have the similar effect of raising the price to the consumer, would it not?—If the bounty were abolished, and if the effect of the bounty has been to reduce the price of sugar in this country, of course, to that extent, the price of sugar would be raised.

6468. Now let us look at the effect that would follow

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follow from what you say is essentially the same thing, viz., a bounty to countervail an import duty. The effect of a bounty to countervail a protective duty would simply be, would it not, the raising of the duty in the country that was determined to protect its manufactures; take a country that imposes a protective duty of 20 per cent. upon a certain fabric; our Government give to manufacturers of that fabric in this country a bounty of 20 per cent. in order to enable them to compete in the French market with the French producers of that article; if the French Government were determined to pursue that protective policy, their course obviously would be to raise their duty?—Undoubtedly.

6469. And, of course, if we were to go on raising our bounty, they would simply go on raising their duty, and the result to this country would be very serious?—Quite so; the two things are quite analogous.

6470. Then there would be considerable difficulty, would there not, supposing that this country made up its mind to such a policy, in assessing the amount of this bounty; one country might have a duty of 10 per cent., another of 20 per cent., another of 40 per cent., and another of 50 per cent., and then it would become a very difficult question to settle what the bounty should be?—Extremely difficult; and it would be necessary, of course, to have very strict rules by which goods exported for a particular country should be traced to their destination.

6471. At any rate there is one essential difference between the two things; the bounty on export would certainly come out of the pockets of the taxpayers of this country, and a countervailing duty to meet a bounty would go into the pockets of the taxpayer?—No, that I am not prepared to admit. The effect of an import duty to countervail a bounty would be, no doubt, in the first place, to produce a certain revenue to the Government. That revenue is paid, of course, by the consumer of the article; but his taxation might be relieved in some other direction to the same extent. We may assume that the taxpayer of this country will be neither better nor worse off, so far as the amount of duty levied on bounty-fed sugar is concerned. But as the object and effect of that bounty would be to raise the price of sugar, it would only have that effect by raising the price of the whole of the sugar imported into this country; and the effect of that would be, not only to impose an enormous charge upon the people of this country, but throw upon the consumers of this country an enormous charge wholly outside of the amount of the duty paid on the bounty-fed sugar; and in the present case it would amount to so very much more than that, that it would be a suicidal thing to submit to so great a loss in order to countervail a sum so very much smaller.

6472. But I am assuming that the policy which the Government has pursued for some years past is the right one, and that it is not for the interests of the country that these bounties should continue; there are two ways of doing it; one is by breaking it down of its own accord, and another is by a countervailing duty; on the assumption that it is not for the benefit of the country that these bounties should continue, and assuming that we cannot get the bounty abolished by negotiation, I am now putting it to you whether the effect of a countervailing duty, so

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far as the duty itself was concerned, would not be to collect the bounty, and pay it into the hands of the taxpayer, leaving out of the question for the moment whether the consumer, as a consumer, pays more, and speaking now about the taxpayer as a taxpayer; if the bounty is continued and collected here, it would be distributed over the general body of the taxpayers, would it not?—In order to bring about that effect, I assume that the money which was collected at the port, 2½ per ton, or whatever it might be, would be paid into the Exchequer, and that it would, in point of fact, be paid by the consumer, but he would be relieved by a corresponding reduction in income-tax, or some other form of taxation, so that, in point of fact, the taxpayer of this country would not be worse off than he was before. But the effect on the refining industry of this country would be absolutely nil, unless the price of sugar was raised by means of it, and the effect of that rise in the price of sugar generally would be to throw upon the consumer a very large burden indeed, greatly in excess of the amount of the duty. Therefore, although I fully admit that a system of bounties is bad, and that it is very desirable, if possible, to get rid of it, I nevertheless contend that it is far better even to suffer from it to the extent to which we are now suffering, than to resort to that particular remedy.

6473. I said I was content to put aside for the moment the question of the consumers, and to confine myself to this one point, whether, if a countervailing duty was levied in order to countervail the bounty, it would not have the effect of collecting that bounty and distributing it over the general body of the taxpayers?—No doubt.

6474. In the other case, the effect of a bounty to meet an import duty would be to take money out of the pockets of the taxpayers?—Certainly.

6475. Then I think in answer to Question 5701, you went on to carry the principle a little farther, and extended it to the general import duties, in fact, to what is understood by the word protection; you assumed that there would be a tax put upon all our free imports?—Yes.

6476. That is to say a protective tax?—A protective tax.

6477. But that has not been advocated, has it, in this Committee?—By no means; I did not in the least intend to imply that.

6478. Supposing that a countervailing duty exactly countervailed a bounty, that would not necessarily raise prices above their free-trade level, would it?—The question, as I understand it, is whether it would raise the prices to any extent which would be satisfactory to the refiner.

6479. I am rather putting it just now from this point of view; a countervailing duty which exactly countervailed a bounty would not, as a matter of course, raise the price of the commodity above its natural free-trade level; those countries which could produce that article cheapest would still have the opportunity of doing so, would they not?—They would have the opportunity, but they would not sell it to us so cheap; the effect of a countervailing duty would be to protect the sugar of all the non-bounty countries and enable them to raise their price.

6480. Would it not rather be the removal of an

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an impost which prevented that industry taking its natural course, and prevented the sugar from being grown and manufactured in the countries most naturally adapted for growing and manufacturing it; that is the effect of bounties, is it not?—The effect of bounties undoubtedly is, to interfere with the course of trade which would take place without them.

6481. And if a countervailing duty is proportioned exactly to the amount of the bounty, it would restore things to their proper level, would it not?—If you could separate that particular trade, segregate it altogether, and in some way prevent the general effect on prices, it might have that effect; but in point of fact it seems to me that the effect of a countervailing duty on a particular branch of our imports must be a protective duty on all the other imports of the same commodity, and that therefore it must raise the price above the price that at present exists.

6482. We will take the case of the sugar growers in the West Indies; if they are by the effect of these foreign bounties selling their sugar in this market at a loss, and the countervailing duty simply has the effect of counteracting the bounty, that does not protect the growers of sugar: it enables them only to obtain the natural price for their commodity which had been previously affected by the bounty, does it not?—If the effect of the bounty has been to depress the price of the whole of the sugar imported into this country to any great extent, no doubt to that extent the neutralization of the bounty would remove that consequence.

6483. Therefore there is a considerable difference between a countervailing duty to meet a bounty and a protective duty of 10 per cent. or 5 per cent. upon all our free imports?—I was comparing the system of a protective duty with that of a countervailing duty.

6484. If the bounty has the effect of depressing the price of all sugar, the benefit which the consumer of this country obtains is not, of course, all derived from those countries which pay the bounty?—Certainly not.

6485. The effect of a bounty upon a large portion of the sugar we import is to depress the price of the whole?—Yes.

6486. Therefore, taking it for granted that the price is reduced to the consumer, that reduction of price does not come entirely out of the pockets of those countries that pay the bounties, but it comes also out of the pockets of the country where no bounty is paid?—The producers of other sugar have to sell their sugar so much cheaper, and thereby have to pay a certain sum.

6487. Therefore, whatever benefit the consumer of this country derived from sugar being sold below cost price in consequence of the bounties, the difference is paid by one class of British subjects into the pockets of another, that is to say, it is paid by the British growers of sugar to the British consumer of sugar?—No doubt.

6488. Of course you are not responsible for the question, but at Question 5705 you were asked this: "That is to say, 2,000,000 *l.* annually to be paid by the consumers of sugar in this country, to keep up a trade with a fixed capital of about 700,000 *l.*?" and your reply is, "That would appear to me to be the result;" but assuming that that is the amount of capital in the 0.104.

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loaf sugar refinery trade of this country which is involved, of course there is a very much larger capital involved in the growth of sugar?—I was speaking at that time of the refining trade.

6489. The question is, as to whether the amount to be paid by the consumer in the additional price that he would pay for his sugar would be for the purpose of keeping up a trade which has a fixed capital of 700,000 *l.*; but if there is a similar injury to the grower it involves the question of his capital as well as the capital of the refiner?—Yes, but this calculation of the 2,000,000 *l.*, I think, had reference simply to the effect of the countervailing duty on the refined sugar. As you are very well aware, the importation of refined sugar is not more than one-third, I suppose, at all events, of the total production of refined sugar in this country. The total production of refined sugar in this country is over 700,000 tons, and the importation is about 163,000 tons, I think. That being so, it is quite clear that a countervailing duty on 163,000 tons, assuming that the whole of that is bounty fed, would have the effect of raising the price, not only upon the 163,000 tons, but upon the 700,000 tons made at home. That calculation, I believe, would result in throwing upon the consumers of refined sugar in this country a burden of about 2,000,000 *l.* sterling annually.

6490. The 2,000,000 *l.* sterling is estimated by taking 2 *l.* as the amount of the bounty, and calculating that upon the whole consumption of this country?—Yes, quite so; the refined sugar.

6491. That is to say, when speaking of refined sugar, you speak of loaf sugar and all other kinds of refined sugar?—Yes.

6492. If the effect of these bounties is to depreciate the whole of the sugar imported into this country from the British West Indies, of course in considering the cost you must consider the amount of capital involved there, as it equally affects them?—I do not know that that would be the case.

6493. We know that the export is very small as compared with the importation, and of course any reduction in the price of sugar will affect the whole of the imports from our West Indian colonies?—Yes.

6494. Therefore, if the bounty has that effect, the question of the extinction of the capital of the growers has also to be considered as well as the extinction of the capital of the refiners?—Yes.

6495. Therefore there is a much larger capital involved than that in the question which was put to you?—Quite so. This is simply confined to the refiners.

6496. With regard to the question of the "favoured nation" clause, in answer to Question 5706, I think you stated that you did not desire to express any opinion upon the legal question?—Yes.

6497. And you stated that it was upon an equitable and liberal construction of that clause that we entirely depended for the treatment which our trade may receive from foreign countries; is not the spirit of the "favoured nation" clause to place similar articles imported under similar circumstances under similar conditions?—That is no doubt one view of the clause, but I might inform the Committee of the fact, of which I daresay they are already aware, that for a great

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great many years there existed in our commercial treaties two different kinds of "most favoured nation" stipulations. One of them, which I believe was originally framed about the period of Mr. Huskisson's administration, was what was called a conditional "most favoured nation" clause. That was a clause drawn, in fact, in terms intended to convey the idea which has been expressed, namely, that the "most favoured" nation treatment was only to apply in cases in which our produce or our trade was treated under similar conditions. That was what was called a conditional "most favoured nation" clause, and, under the operation of that clause, such constant difficulties and such constant controversies with foreign Governments arose, that at last it was considered extremely unwise to retain it, and in all our modern and recent treaties every reference to any conditional character in the "most favoured nation" clause has been carefully excluded, and the clause is now drawn intentionally in the most general terms, so as to exclude all those questions of whether or not a particular country has fulfilled the exact conditions which another particular country imposes, and to make it so general that it should not be possible for any one country to appeal under that clause to another country for any Act of legislation which might appear to have injured this country, and which placed our trade at a greater disadvantage than the legislation of some other country placed it at. I think that the fact of there being these two clauses, and of its having been found necessary to substitute the one for the other, will give the Committee a very good idea of what I meant when I said that I thought that anything but a very large and liberal construction of that article would give rise to very great difficulty.

6498. You were examined, I think, before the Wines Committee?—I was.

6499. And you are aware, are you not, that the complaint which Spain made was, that although her wines were subjected to the same duties as wines coming from all other countries, on an equitable and liberal construction of the clause, her wines, and certain other wines, practically were excluded from this market?—Yes.

6500. And I think in the evidence which you gave you were inclined to agree that her complaint was well founded?—I do not know that I went so far as that. I think that she has a very fair case for objecting to the application of the "most favoured nation" article in that case. It is a very good illustration of the kind of difficulties which arise between Governments on such points as these. Whether or not that particular complaint on the part of Spain was well founded, I am not prepared to say. I do not think I expressed a strong opinion as to that. I did not intend to express a strong opinion as to that; but, however that may be, it is a very good illustration of the kind of question which arises in construing the "most favoured nation" article, and the question, I think, is very much in point, because it is in consequence of their refusing to accept our construction of the "most favoured nation" clause that they have refused to give us "most favoured nation" treatment, and that our trade has been placed consequently at a great disadvantage.

Mr. Courtney.

6501. Have you studied any "most favoured nation" treaty with Spain?—There is a "most favoured nation" clause in a very ancient treaty, but it is one of a very questionable character, about which, as you know, opinions have been advanced in this country, to which I am afraid we owe a great deal of what happened since.

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6502. The complaint made by Spain was that although she is nominally subject to the same treatment as France or any other country, yet the practical effect of the clause was to exclude from our market large quantities of her natural wines?—Yes.

6503. And I think the recommendation which was made by the Wine Duties Committee would seem to imply that Spain had some case in the matter?—I do not know how far the recommendations of the Committee rested upon that ground, but undoubtedly, on general grounds, they came to the conclusion that that difference was one which it was not desirable to maintain.

6504. Do you not think that France might say to us, "We send our raw sugar into your market without a bounty, and in consequence of your arrangements the Austrian raw sugar, which it is acknowledged comes into your market with a bounty, is, although coming in under the same conditions, practically placed in such a position as to drive our raw sugar out of your market. Therefore we contend that our raw sugar is practically not treated upon an equality in your market with the sugar coming from Austria"; would she not have some ground for saying that?—I do not think that would be a contention which she could at all maintain. If this disability arose from our own legislation, she would have a right to call upon us to remove it; but I do not think she could call upon us to counteract the effect of the legislation of foreign countries which had the incidental effect of injuring a branch of her trade.

6505. But the result is, is it not, that the imports of raw sugar from France are decreasing, and the imports of raw sugar from Austria are increasing?—That I see stated by M. Léon Say in a very remarkable table.

6506. How does he make out his complaint?—As I understood M. Léon Say's complaint it was this: he said that so long as Austrian raw sugar obtained this advantage in the English market, he found it very difficult to remove the bounties on his refined sugar. I confess I did not quite follow the argument, but that is his contention.

6507. We have had evidence here from French sugar fabricants, who have complained that their sugar is undersold here by the system of Austrian bounties, and who have told us that they await the decision of this Committee in order to make representations to their Government upon the subject, so that that shows that they feel that they have some ground of complaint?—No doubt. I understood M. Léon Say's argument to be, that the effect was to give our refiners an advantage over the French refiners, from the fact of their having access to the raw sugar of Austria.

6508. But I want to put it to you from the point of view of the sugar makers of France; they say: "Our sugar is being driven out of the English market by the Austrian bounties, and unless

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unless England is prepared to take some step in concert with the other Powers to put a stop to this, we must make some representations upon the subject;" that shows that they have a ground of complaint?—They suppose that their trade is being injured by the Austrian legislation.

6509. I believe we shall soon have to negotiate with France upon the subject of a renewed treaty, shall we not?—I do not know what may take place. It has been so long delayed that I am really unable to form any opinion as to the probable issue of the correspondence on that subject.

6510. I think you told us in one part of your evidence that the Treaty of 1860 led to the best possible feeling between France and this country?—I was speaking then of the effect of that policy on the two Governments and on the administrations. It had a very remarkable effect at that time in facilitating discussion and in removing obstructions in a variety of ways.

6511. Therefore, in any further negotiations, you would, I presume, admit that if France made out any good reason for complaint upon any particular subject, it would be our interest and our duty to try and remove it?—I should certainly consider it an object of the greatest importance to meet the views of foreign governments in every way in our power which was not inconsistent with our principles.

6512. You are, perhaps, aware that a considerable discussion took place in the House of Commons upon the subject of the "most favoured nation" clause when the Contagious Diseases (Animals) Act was before the House?—Yes, I am.

6513. It was there contended, was it not, that these favoured nation clauses bound us only to treat those countries alike which came under like conditions?—It was so contended.

6514. For instance, Mr. Gladstone said that his contention was that those powers that bound themselves by the same conditions as the five countries proposed to be exempted, were entitled to equality; I may say that the question before the House was whether the cattle coming from certain countries should be allowed free entry whilst the cattle from other countries should be slaughtered; it was contended that that would be a violation of the most favoured nation clauses, and the difficulty was got rid of by placing no country in the schedule at all, but enacting that the cattle coming from all countries should be slaughtered at the port of debarkation, giving the Privy Council power to exclude any which might come under dangerous conditions; does not that show that at that time the interpretation of the favoured nation clause was a broad and liberal one, and that the spirit of it was to treat countries which came under the same conditions on the same footing?—No doubt, as I have already said, that is the kind of view which is very natural and proper to take of the clause, but it shows also the difficulty of knowing exactly what the effect of that clause is, and that its construction is open to a difference of opinion between different Governments.

6515. Do you agree with this statement of Sir William Harcourt, that "what a nation could claim under the favoured nation clause, was that there should be an immediate power under similar circumstances to admit it to equal rights with others. They had a perfect right to require that

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hey should be admitted to equal rights the moment that they were under similar circumstances to other nations"?—I think if that principle were strictly applied to our commercial treaties it would land us in the most hopeless difficulties. I think it is an attempt to define much too closely the meaning of the clause.

6516. In answer to Question 5706, speaking about the controversies that a countervailing duty would be likely to create, you spoke about the controversies as such as could not be settled, and you say, "I think that that could not fail to give rise to very irritating controversies, and controversies which it would be extremely difficult to settle, and which could not be settled without concert, and without common inquiries, which had far better precede than succeed any such action on our part." The question has never been put to you, and I will now put it to you whether you would dissent from a proposition that a conference should be called of all the sugar-producing countries, with a view of entering into a convention to abolish these bounties, and that there should be inserted in that convention a clause, which I will call a penal clause, to operate against countries which continue to pay a bounty; would you object to such a mode of proceeding?—I should not object to a conference with a view of assisting as far as possible in the solution of the question, although I am bound to say that my feeling is rather that the conferences which have taken place of late years, and, in fact, the discussions which have taken place since it was found impossible to induce foreign Governments to adopt refining in bond, have been a very doubtful advantage. But with regard to the convoking of a conference with the view of making a treaty which should contain a penal clause of the nature described, I confess that my own personal opinion would be unfavourable to such a course. I have an extreme repugnance to propose anything, or to enter into any stipulation with a foreign Government to do anything, even although it may be supposed that we should never be called upon to do it, unless it is a thing which it would be right and proper to do in case we were called upon to do it. Now, I entertain a very strong opinion, as my evidence has shown, that the imposition by us of a countervailing duty would be an extremely impolitic measure. If the effect of these bounties is, as it is stated to be, to cause a very large reduction in the price of the commodity to the British consumer, it is clearly very impolitic on our part to shut out the British consumer from so great an advantage in order to relieve particular British interests from suffering, which we might amply meet at a far less cost than would be entailed upon us by such a policy. In fact, I think the indirect effects of that policy would be so mischievous and costly that it would be a most unwise policy to adopt. That being so, I should be unwilling to threaten, or to leave foreign Governments under the supposition that under any circumstances we should adopt it. The threat might possibly operate, but I think it would not be good policy, and so far as my personal opinion goes I should not approve of that course of policy.

6517. What occurs to one naturally is, that in the negotiations for the abolition of bounty, the effect would be somewhat similar to the course which I just now mentioned of a penal clause; but if all the countries which produced sugar

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were willing to come under an engagement, this clause to operate only in case they broke their engagement, do you think that if the abolition of these bounties is a thing to be desired, we should be justified in refusing to come under a convention of that kind to which all the other powers assented?—I think if all the other powers were willing to assent, there would be no occasion to insert a penal clause. If they bound themselves by treaty to refine in bond, or to adopt any other measure which would have the same effect, that is all that is necessary. If that was done, there would be no occasion for a penal clause; but if that were not done we should then be obliged to adopt a penal clause, and to act under it, and that I should regret.

6518. I take it that there is a good deal of jealousy, as the various conferences have shown, between one country and the other; and we have also evidence that in the opinion of Mr. Walpole, the chief reason for the breaking down of those conferences was, that it was felt by the various countries that they had no protection from one another; if a penal clause would remove that jealousy, do you think it would be bad policy to agree to it?—I have very grave doubts whether an agreement could be arrived at by such a mode unless it could also be arrived at without it.

6519. As I have already said, we have had evidence that it was the want of some such clause which led to that jealousy and distrust which eventually put an end to all the conferences in which we have taken part. Supposing that the countries themselves were all of them to say, "We are willing to come under this convention with the insertion of this clause as against each other and against ourselves," do you think it would be good policy on the part of the Government to refuse to agree to a convention with such a clause in it?—I confess I am still unable to see how the insertion of such a clause could be of any advantage, unless on the supposition that all countries which became parties to it had arrived at a state of enlightenment which would enable them to make a convention which would suffice for the purpose of getting rid of the bounties without such a clause.

6520. But I am assuming that there is that amount of jealousy between one country and the other which would only be satisfied by the insertion of some such clause; do you think there would be any objection in this country to a convention of that kind?—It would be a question for the Government to consider if the question arose. My personal opinion is against it, and I should regret it. I think that it would not be a judicious course to take; that it would be open to misconception, and that it might possibly lead us into considerable difficulties in the future.

6521. In the Convention of 1864 there was a similar clause to that, was there not?—The clause in the Convention of 1864 is a very vague article, so far as my recollection serves; but I confess that after 15 years it is rather difficult to recollect the exact discussion which took place upon it.

6522. Would you allow me to refresh your memory by means of the *procès verbaux* (handing it to the Witness)?—There seems to be no discussion upon Article XIX. The fact is, that these *procès verbaux* are extremely bald and meagre, and they represent very imperfectly the conversations which took place; but I see here that

Chairman—continued.

Article XIX. is simply adopted; in fact, Article XVIII. is adopted, as well as Article XIX., without any comment at all.

6523. I see that you are put down there as having spoken immediately after the adoption of Article XIX.?—Yes, on some other subject altogether. The impression left on my mind, which you must take for what it is worth after such a great lapse of time, is this: that this was very much urged by the other Governments, and that the British Commissioners thought that it was very undesirable to allow any arrangement of this kind to take place without our having a voice in it. It was in order to enable us to take part in any such discussion, and to prevent it from being possible for any of those Governments to take such a course without our consent. That is the meaning which I place upon these words that the high contracting parties would be at liberty in a certain event to come to an understanding as to the surtax.

6524. Not as to whether there shall be a surtax, but as to the surtax?—As to the surtax to be imposed.

6525. Does not that rather imply that a surtax is taken for granted under certain conditions?—My recollection of the intention was that it was intended to be a thing which could not be done except by concert, and that an opportunity would be given to the British Government of having its say upon any such proposal.

6526. I understood you to say that it would be a bad thing for the Government to assent to a principle which they thought was wrong; and there evidently has been no discussion, according to these minutes, upon the points raised by such a clause?—As I have already said, these *procès verbaux* are extremely meagre, and at this distance of time I am unable to answer that question; but I am perfectly willing to admit that this clause is not, from my present point of view, a judicious one.

6527. You afterwards made a report, did you not, upon the subject to the Treasury, which was agreed to?—Yes.

6528. Do you remember whether you made any special report upon that article?—I am not prepared at this moment to say. I have not referred to the report.

6529. You do, I think, refer in the report to several of the various articles, and when you come to Article XIX., after having disposed of Article XVIII., you go on and say that Article XIX. calls for no special observations; at any rate, at that time, was your feeling strong against such a course as that which I am advocating?—It is very difficult to say. I cannot recollect very distinctly what my feeling was at the time. I think, or at any rate I hope, I have grown wiser in 15 years.

6530. At any rate, from the report and from the *procès verbaux* there is no indication that you dissented from the article which was then incorporated in the convention?—No, evidently not.

6531. If the insertion of an article of this kind in a convention was to lead to the settlement of this question, which has been a bone of contention and annoyance, and an international nuisance as you yourself term it, do you think there would be any very great difficulty in agreeing to such an article, having already agreed to it when we had a "favoured nation" clause with other countries?—I still am of opinion that we should be

Chairman—continued.

be more likely to get rid of the international nuisance, without entering into such a stipulation.

6532. I do not wish to press it unduly; but if it was one of the conditions of the agreement amongst the sugar-producing countries that such an article should be inserted, and if it were to lead to the settlement of this international nuisance, which has been going on so long, do you think it would be wise for England to take upon herself the responsibility of keeping the sore open by dissenting from this article?—The case you put is a very extreme one, and I am not prepared to say whether in extreme cases it may or may not be wise to depart from a principle; but I should think the precedent a bad one, and as at present advised I should not be prepared to recommend agreement on the part of the Government to such a clause.

6533. In answer to Question 5709 you say, speaking of the complaint which is common to both the West India planters and the sugar growers, that you cannot explain how it happened that both the refiners and the growers have had a reasonable subject of complaint; can you not suppose that there is a loss entailed upon both the sugar grower and the sugar refiner by the system of bounties?—I can understand that, no doubt, the operation of the bounty on refined sugar may be an injury to the British refiner; and I can understand, on the other hand, that a bounty on the Austrian raw sugar is an injury to the West Indian planter; but there is a certain inconsistency, or at all events something which is not quite intelligible at first sight, in the two complaints coinciding in point of time. At all events, one would have thought that if the bounty on the Austrian raw sugar is a disadvantage to the West Indian planter, it would be an advantage to the British refiner, and would compensate him, to some extent, for the injury he sustained from the bounty on the French refined sugar. That was the kind of difficulty which I felt.

6534. Supposing that the natural price of raw sugar is 20 *l.* per ton, and that in consequence of the Austrian bounty, it only fetches 18 *l.* per ton, that is a loss to the grower of 2 *l.*?—Yes.

6535. Supposing that the natural price of refined sugar is 20 *l.* per ton, plus the 2 *l.* 10 *s.* for manufacturing, that is to say, 22 *l.* 10 *s.*, and that it only fetches 22 *l.* 5 *s.*, in consequence of the French loaf sugar being unduly depressed, there is a loss to the manufacturer of 5 *s.* per ton?—Yes.

6536. So that in both cases there may be a loss?—Yes.

6537. And of course a loss of 5 *s.* per ton to a manufacturer who perhaps turns out 500 tons a week would be almost absolute ruin?—That I daresay is the explanation.

Mr. Stewart.

6538. Would it, in your opinion, be anything like accurate to define free trade as a system by which the interchange of commodities between countries should be regulated entirely by natural causes; and by natural causes I mean of course the competing power of those countries in consequence of the natural advantages which they may possess, free, of course, from all fiscal arrangements, either import duties or export bounties?—I think that is a very good definition. A per-
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fectly free trade is a trade with which no Government interferes.

6539. When we adopted free trade as our policy, do you think this country could possibly have anticipated that a system of bounties would have prevailed with regard to sugar?—I do not know whether it was anticipated; very likely it was not. I do not think it would have affected the policy of this country if it had been anticipated by those who introduced it; but it is not the less an evil.

6540. Do you know of any other article of import which is subject to a bounty such as sugar is?—I am not aware at this moment of any article which receives a direct bounty, but I think you might find that there are articles on which very much the same result is produced as in the case of sugar by the operation of the foreign laws.

6541. But you are not prepared to say that there is any such article?—There is a case in connection with the iron trade which seems to me to have a very similar effect, which Mr. Lowthian Bell called my attention to the other day, and which I believe he intends to question me about.

6542. In answer to Question 5699, you state in effect, I think, that you see no distinction in principle between a countervailing duty and an export bounty; your words are: "It appears to me that if it is the right course to impose an import duty to countervail a bounty, with a view of equalising and removing a disability thrown upon a British producer by the legislation of a foreign country, it must be equally right to give a bounty to countervail an import duty"; is there not this difference between the two, that no foreign import duty on our manufactures can deprive our manufacturers of the advantage of our home market at least, whereas bounties given by foreign countries on their exports may deprive our manufacturers of the home market?—Home market or foreign market it seems to be of very little consequence. The question is whether the trade is injured, and to what extent it is injured. Trade, of course, knows no nationality, and if a British manufacturer suffers in any market in consequence of the legislation of a foreign country, it seems to me that on the principle that has already been asserted, he would have a claim to call upon his Government, as far as they could, to remove from him the disability under which he was so placed.

6543. But you see our home market is a very large and important market as compared with most countries?—No doubt.

6544. Is there not this difference also, that in regard to the important duties which foreign countries choose to place upon our manufacture, we have no power whatever, so far as correcting their action is concerned?—No.

6545. But in regard to the bounty which they may choose to impose on one of their exports, we, if we adopted a countervailing duty, would be able to have a control over their action with regard to that bounty?—We can only control their action by putting on an import duty. In the other case we could control their action by putting on a bounty upon export.

6546. I think hardly that, because they could follow us as far as we chose to go, and that could not exceed our bounty?—And they could exceed

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our import duty. It is the same case; they might go up perpetually with their bounty.

6547. But in the one case we retain our own market, at all events, for ourselves?—With regard to the extent to which the home market would be ruined by a bounty, of course bounties are things of which the limit is very clear. I mean in the case of a bounty produced by a drawback. Of course if a foreign government chooses to give a distinct subsidy upon its exportations, that is an act so extraordinary that it has to be considered on a different principle; but then it becomes a question whether it is wise on the part of the Government to receive a gratuitous gift on the part of foreign governments. In the case of a bounty which is simply an exaggerated drawback, that is a measure of benefit to the exporter which is strictly and necessarily limited by the amount of the revenue from the import. It never can exceed that; and, in fact it can never approach it without making the thing ridiculous, and impossible for the foreign government to retain it. Therefore I cannot conceive the case of the home market being encroached upon beyond a certain limit. In the present case, as we all know, the home market is only encroached upon to the extent of 160,000 tons out of a production of 700,000 tons.

6548. Is there not also this difference: that in the case of a countervailing duty, as was pointed out by the honourable Chairman, the natural price of the article which would be produced, supposing that there was no countervailing duty at all, would remain the same; you do not raise the natural producing price of the article, as the Chairman pointed out to you; it is stimulated at present by the export bounty, and the price is unnaturally cheapened; that is the effect of bounties, is it not?—That is the alleged effect. To whatever extent that is the case, no doubt the imposition of a countervailing duty might remedy it and restore it to its original state.

6549. But what I mean by the natural price of the article is what it can be produced at in a country free from either duties or bounties; of course if a countervailing duty is put on by this country which is equivalent to the bounty which the French Government give on the export of their sugar, then it seems to me that we should equalise the price of sugar; in fact, the price of sugar in this country would then be at its natural price?—That entirely proceeds upon the assumption that the price of sugar has been depressed by the operation of the bounties to exactly the same extent as would be remedied by the imposition of a countervailing duty. Of course that is an assumption which may be perfectly correct. If the depression in price does not correspond with the bounty (which is rather my own belief) then the imposition of a countervailing duty might raise the price of sugar above its natural level.

6550. However the difference that I want to establish in regard to import duty, is that when the French Government imposes an import duty upon our manufactures, they unnaturally raise the price of that article by putting on an import duty?—No doubt.

6551. So that there is a considerable difference between a countervailing duty as regards ourselves, and an import duty as regards other countries?—The effect of an import duty in that country is to enable the French producers to

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sell below cost price. In both cases the French Government enables her producer, whether refiner or manufacturer, by protecting him by an import duty to sell his goods below cost price.

6552. I do not quite understand upon what principle that can be, because a protective duty you say enables a manufacturer to sell below cost price; now that duty, it seems to me, might enable him to sell above cost price. Supposing that there was a heavy protective duty against our manufacture, it would enable the French manufacturer, would it not, to sell his article above the price that would be the natural profit to him, because he could retain the market entirely to himself, and increase the prices?—The effect, it seems to me, would be this: Whenever a foreign government is asked to remove a protective duty, the English Government is immediately met by the reply, in a negotiation, that the foreign article, whatever it may be, cannot be produced so cheaply as the English article; and that if the English article is admitted without a duty, the foreign manufacturer will be ruined, because the cost of production in France is said to be higher than the cost of production in England. That is the argument. Then the French Government comes in and puts on this protective duty, and the French manufacturer can sell his article under cover of this protective duty at a price which will compensate him for the difference of cost between the English article and his own. Therefore, in point of fact, he sells it at the English price plus the duty, and therefore he sells it below his own cost of production, not below the natural cost of production of the article, because that, of course, is determined by the price in the market of the world. That is the sense in which I think he sells below his cost price.

6553. The effect of a bounty must be as we have agreed, I think, to stimulate unnaturally the production of the particular article to which the bounty is applied?—Yes.

6554. And any industry in that position, I think you agree with the Chairman, must be on an unsound footing, and a cheapness based upon the bounty is one that is not certain to last?—Yes, I think so.

6555. If you could believe that our sugar industries in our West Indian Colonies, and our sugar refiners would, in the long run, be ruined by the continuance of this bounty system, would it alter your views at all as to the policy of putting on a countervailing duty?—My answer to that question would be something of this sort: that that result could only be brought about by such an enormous expansion of the foreign refining trade stimulated by bounties, as would really mean this: that the French Government were content, not only to sacrifice the whole of their revenue from sugar, but to give a very large sum out of their other revenues for the purpose of enabling the French refiners to supply the British market with cheap refined sugar. That would be so extraordinary an act, that it is scarcely necessary to discuss it seriously, but if so extraordinarily foolish a thing were done by any foreign government, I think it might then be a question whether it would not be a wise thing for the English Government to compensate its own industry in the handsomest manner, and to enable them to turn their energies into some other

Mr. Stewart—continued.

other channel, and to accept this large subsidy from France. That is the kind of way in which it has presented itself to my mind; it is not a question which can practically arise. We know pretty well the limit within which the bounties can operate; they can never destroy, or anything like destroy, the refining industry of England, although they may encroach upon it, and therefore I do not think it is a very practical question.

6556. Do you mean that you would compensate the West India interests as well?—Certainly, I would compensate all the interests that suffered, rather than absolutely reject so great an advantage.

Mr. Eugene Collins.

6557. You have stated that it is impossible to establish any method of correlation between yield and duties?—I believe it is impossible to establish an exact correlation.

6558. And you are clearly of opinion that the only remedy for these bounties which are an evil, is some system of manufacturing in bond and of refining in bond?—I think that is the only complete system.

6559. You have stated, although I do not suppose very seriously, in your last answer, that the remedy which you would suggest, if there were no other way of dealing with it, would be by compensating an industry, if the industry were proved to have suffered by the fact of the various powers refusing to agree to refining in bond; I suppose you were not quite serious in that suggestion?—I do not think that I put the statement quite in that form. I think that the statement which I made was, in answer to a question of the honourable Member, which was rather in a different shape. I do not think I stated that this could be a proper course, or a possible course, simply on account of foreign governments refusing to refine in bond; it really had reference to the question put to me on the supposition of the whole of the British refining trade being destroyed by the operation of foreign bounties.

6560. Supposing that those various countries who are interested in the subject could not be induced to adopt this suggestion of refining in bond, have you thought of any means of meeting what you consider to be an admitted difficulty or evil, that is to say, the bounty system?—I think it is one of those evils that will cure itself if it is let alone; and I think it is in course of being cured. It is perfectly clear that the French are beginning to be very much alive to the inconvenience which they are suffering from the Austrian system; and it is also perfectly clear that the Austrian Government are becoming alive to the enormous loss which they are incurring by these bounties, and by their recent legislation they have done something, I believe, towards restraining it. Therefore I think it is not an evil which will be permanent; but, however, I fully admit that, so long as it lasts, it is a very great inconvenience, and one that I very much regret. As regards the effect on the trade in this country, without in the slightest degree denying that the effect is injurious, I doubt very much whether it has been so great as is stated, and I doubt still more whether any of the remedies proposed would produce the result anticipated.

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6561. I think you stated in one of your very early answers that the whole subject of these duties was originally brought before the consideration of our Government under Mr. Gladstone in 1863, for the purpose of endeavouring, as far as possible, to rectify what were considered certain fiscal irregularities of the various countries that were supposed to give bounties?—That was the origin.

6562. Since that time in the various conferences and discussions that have taken place on the subject, is it your opinion that the amount of public attention devoted to it for the last 16 years by the various governments, and so far the enlightenment of public opinion in the various countries tend to produce the effect that you have been now referring to, that is to say, the eventual abolition of those irregularities?—It has been a very painful process, undoubtedly; and one must recollect that Europe has undergone very unfortunate changes since those days, and that the financial condition of several European countries has compelled them (for instance, I refer more particularly to the case of France), at all events to raise their sugar duties, and to rely still more upon the advance of revenue which is effected. But still, looking to the future, I think there is a better prospect now of those governments being compelled by the force of circumstances to reconsider their legislation than there has been for some time past.

6563. I collect from that answer that you would prefer, independently of other considerations, to leave to the natural course of events, and to the influences of public opinion upon the respective Governments, the adjustment of the matter of bounties, rather than to adopt some mode of dealing with them in this country which may have the serious effect of charging or embarrassing consumers to the extent which has been suggested?—I certainly should think that any course would be preferable to throwing so large a charge upon the consumer as would be entailed by the imposition of the duty which I have heard suggested. I am not at all prepared to say that the British Government may not yet do much by representation and by concerted action; but I certainly should very much regret the adoption of such a measure as that suggested, viz., of agreeing to what is called a penal article in any of our conventions.

6564. In the event of the views of the various Governments that we are referring to not being influenced either by public opinion or by the other considerations, would you in that case try to meet the difficulty by any other measures taken independently by our own Government?—I am not aware of any action on the part of our Government which it would be possible to adopt with a view of rectifying the mischief.

6565. You can suggest no mode of dealing with it in the event of these countries not trying to meet what is an admitted evil?—I am not prepared to suggest one, certainly, at present.

6566. You expressed doubts as to whether bounties had the effect of enabling producers in fact to produce more cheaply; it would be interesting to hear from you, if it would not be troubling you too much, an amplification of that idea; will you shortly explain your reason for making that statement?—My reason for making the statement was simply derived from my general experience of protected industries. It

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has been generally found that the industries which are unassisted by their Governments, either in the form of subsidy or by protective duties, when left to their own natural energy, exert themselves more, and arrive at cheaper methods of production, and, generally speaking, succeed to a greater extent than industries which are fostered by legislation. That was the whole meaning of my remark. Nothing would be easier than to refer to a great many cases in the history of this country in which industries have increased enormously both in their extent and in the cheapness of their production, owing to the removal of protective duties.

6567. That is to say, where any trades or industries are fostered by unnatural or artificial means, the effect is generally speaking to produce either indifference to economy, or want of application of intelligent modes of manufacture to which by greater competition they would be obliged to have recourse; and that consequently an industry of that kind cannot be as sound or as prosperous as an unassisted industry?—That is my meaning.

6568. I should like to have your view upon that subject in order that the Committee may compare it with the views expressed by other witnesses. It has been alleged by several witnesses, that France may be able to retain and carry on the trade of refining on more favourable terms than the refiners in this country; assuming that your view of the bounty system is an accurate one, can you contemplate a condition of things such as these witnesses have put before us; that is to say, that a fostered industry such as the refining industry in France, may nevertheless be enabled to swamp and ruin the refining industry in this country, the former being a protected industry?—I fully admit that there is a great inconsistency. I think the case of the French refiners is a remarkable one, and I am not able to explain it. I have no doubt that it is an efficient industry, and that the methods of production are very skilful, and that they do not, at all events at present, show the indications of apathy and ill success which are very often observed in the cases of industries artificially fostered. Still I think the general law in the long run is very likely to operate, though I fully admit that so far it does not appear to apply in the present case.

6569. But the fact of an exception to a general principle would nevertheless not influence your general opinion upon the subject?—It would not influence my opinion as to the course to pursue, because I am myself unable to see my way to any course which does not appear to me to land us in still greater evils and difficulties.

6570. One word on the subject of some questions which were put to you in reference to the importation of raw sugar. In answer to Question 5671, you stated that in 1877 the importation of raw sugar had reached the large amount of 16,620,000 cwt., that is to say, from 1862, when the importation was 10,000,000 cwt., it increased in the 15 years to 16,620,000 cwt. We have it further, that the improvement in the trade was not progressive, because in the year following, the importation had diminished to some extent, that is to say, it had fallen to 14,918,000 cwt.; would you draw an inference bearing on that subject to anything like the effect that I am

Mr. Eugene Collins—continued.

about to state; that when the importation was so largely stimulated in 1877 by the prices of 1876, stocks in this country had become so large during those prosperous two years that the natural effect upon trade might have been that orders might have diminished to some extent, and that the natural result of the inflation in the years 1876 and 1877 was to diminish the importation in the year following?—I think that was very probably the case. The stock of these different countries was reduced very much by the unnatural and exceptional stimulus of 1876 and 1877, and there was an inevitable reaction in 1878.

6571. Is not that the natural condition of all trades; depression following inflation, and inflation usually, in its cycle, taking the place of depression?—Yes; no doubt.

6572. You expressed yourself strongly on the subject of your extreme repugnance in the event of a conference again taking place on the subject, to threaten any measure that you were not prepared to carry out?—Yes.

6573. If you were again engaged in a conference on this subject you would be altogether opposed to an attempt on the part of this country to impose countervailing duties?—I should distinctly.

6574. You have already stated in a previous answer that you would not threaten penal measures in the event of the bounties not being discontinued?—No; I have a great dislike to that kind of policy.

6575. Therefore you would come to the conclusion, that in the event of a conference taking place mere threats, without any intention to carry them into effect, would produce all the results, which those interested in refining in this country and the growers in the West Indies wish to produce?—If you were to threaten these measures without executing them, I doubt very much whether foreign governments would not see through a policy of that kind; I think they would very soon find out whether we were in earnest or not in using that language, and their action would be shaped accordingly.

6576. But if you were representing this country as a commissioner, you would not yourself be a party to a threat of that kind?—I should not, certainly.

6577. You stated very properly, that if the various parties were willing to assent to the proposals which were suggested, of course there would be no occasion for a peral clause; but, in the converse case you stated that if they were not willing to assent you supposed we should be forced to put on a countervailing duty; will you explain that more clearly. Do you think we should be forced, in the event of their not assenting, to impose a countervailing duty?—I was assuming that we had agreed to this clause.

6578. You said that in the converse case, if they were not willing to assent, we should be forced to put on a countervailing duty?—I meant, I presume, that if we had gone into the conference on that understanding, and if we had accepted an invitation on that basis, we could not turn round at the last moment, in the event of our failing in our object, and say, "Oh, very well, we will have nothing to do with it."

6579. You would not assume that there would be a probability that we should go into any conference, the effect of which we conceived would

Mr. Eugene Collins—continued.

would be to bind us to the policy of a countervailing duty, or to any other policy?—I think it would be extremely injudicious.

Lord Frederick Cavendish.

6580. You have been asked whether by Article XIX. of the Convention of 1864, this country is not committed to the principle of a countervailing duty; do you think that is the case?—My own construction of that clause is most decidedly that it is not so committed.

6581. That is from your recollection of what passed at the time?—My recollection of the meaning of the clause is this: that the foreign governments with whom we were negotiating were very desirous that some such clause should be inserted, and that I and my colleague felt that it was very desirable in the event of such a question arising, that the English Government should be able to take part in a conference, and to be sure that no measure of the sort could be adopted except in concert with Her Majesty's Government, so that we might have an opportunity, not only of discussing any such proposal in conference, but also of making our objections to it, and preventing its being executed, without such concert.

6582. Have you referred recently to the speech made by the Chancellor of the Exchequer, in introducing a Bill made necessary by the Convention of 1864, for the rearrangement of the duties, in which he explains the provisions of that Convention?—I did refer to it the other day, in consequence of my examination.

6583. Would you say that the following passages bore out your view. After referring to the invitation of the French Government to enter into negotiations for the abolition of bounties, the Chancellor of the Exchequer, Mr. Gladstone, then went on to say: "Her Majesty's Government replied, that it would be impossible to think of inducing Parliament to enter upon any system of duty on sugar which should cripple or restrain the liberty of Parliament with regard to making that article a vehicle for its financial purposes"; and again at the conclusion of his speech, he says: "Let it be clearly understood, that there was nothing in this Convention to prevent Parliament from taking whatever steps it thought proper with regard to raising or lowering the duty." That would lead one to suppose that, at any rate, the Chancellor of the Exchequer considered that this country was entirely free, if it liked, to abolish all duties on sugar?—I think it is quite clear that to that extent his remark would be quite inconsistent with any such construction as has been placed upon that Article.

6584. Mr. Gladstone could scarcely have made that statement if he had believed that this country was bound, under certain circumstances, to levy duties on sugar?—No.

6585. With respect to an expression which you made use of as to these bounties being an international nuisance, do you consider that these bounties are more injurious to the country which gives them, or to the country which receives the bounty-fed sugar?—I have no hesitation in saying that I think the country which gives them is the country which suffers most.

6586. And it is mainly with reference to the country which gives them that you speak of these bounties being an international nuisance?—I think that is the predominant evil in them; but

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I do not at all deny that it is an evil that an industry should be disturbed by these irregular acts on the part of foreign governments.

6587. The country which grants these bounties has, in the first place, to pay a large sum out of its exchequer, and in the second place, it diverts its interests and capital from the most productive sources?—Undoubtedly.

6588. Whereas the country which receives the bounty-fed sugar receives a considerable boon with regard to the consumer, but has some of its industries seriously disturbed?—That is a very fair statement of the effects.

6589. And in your opinion the first evil would be immeasurably greater than the second?—Certainly.

6590. Is it not the fact that the system of giving bounties is a relic of an old system which was generally in force in past times?—Undoubtedly; and you will find in all the treaties which this country has made up to a recent date that bounties are always one of the forms of action on the part of the Government which are contemplated and provided against.

6591. And that system has virtually died out, except in the case of sugar?—I am not aware of any bounty on the exportation of any important article of trade in Europe at present; nor, in the case of sugar, is it given in the form of bounty.

6592. You would be inclined yourself rather to trust to those causes which have made the nations give up the system of bounties with regard to other articles to induce them ultimately to give it up with regard to sugar also?—I believe myself that that is the surest and the best mode of bringing about the result which we all desire. I have myself no doubt that that would be the result.

6593. Do you not consider that it is very probable that these incessant negotiations, and pressings of foreign governments to give up these bounties, may have had the very opposite effect to that which was intended, and may have induced them to believe that they were inflicting an injury upon this country while conferring a benefit upon their own people, instead of the reverse?—I think there is a great deal to be said for that view. I think the effect produced upon the minds of people in foreign countries has been that their industries were gaining some advantages at the expense of ours, which they do not like to give up.

6594. You were examined at considerable length as to the comparative imports of sugar in 1875 and 1878; is it not the case that between the years 1875 and 1878 the consumption per head of many important articles has largely diminished in this country, owing probably to the depression of trade?—It is the case with regard to a considerable number of articles.

6595. Is it not the case with respect to spirits?—In the case of spirits the consumption has diminished.

6596. With respect to malt, there is some diminution, I believe?—Yes. It is the case with regard to tobacco; it is not the case with regard to tea; it is the case with regard to raw sugar; it is the case with regard to wheat and wheat-flour; it is the case with regard to cocoa; it is the case with regard to rice; and as regards wine and British spirits and malt, there is a considerable diminution.

6597. Is it not very probable that the same influences

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influences may operate with respect to sugar?—The reduction in the consumption in the case of sugar is not greater than in the case of other articles.

6598. But yet it is considerable?—I think it very likely. There has been a reduction in a great number of cases.

6599. Is it not probable that this diminished consuming power of the country has had a good deal to do with the diminished importation of sugar?—I should have thought so. I should have thought that the depression in the country in the past year had some effect in diminishing the consumption.

6600. You stated that in your opinion the consumption of loaf sugar in this country was not increasing?—That is an opinion which I have been led to form, but I cannot give the Committee any exact data upon which it is founded.

6601. It has been stated, I think, to us that at the time when the Convention was made in 1864, the production of loaf sugar in the United Kingdom was about 200,000 tons, and that at present the production has nearly ceased; and, on the other hand, the importation of refined sugar has not increased in that time by more than 155,000 tons; that would confirm the view, would it not, that the consumption of loaf sugar in this country is not increasing?—If that statement is correct, it proves the fact.

6602. Whereas the consumption of other sorts of sugar has very largely indeed increased in this country?—It has enormously increased.

6603. With respect to the "favoured nation" clause, one witness has informed us that the "favoured nation" clause is not of any very great importance to us; is that your opinion?—That is not my own opinion; on the contrary, I have always attached great importance to a "favoured nation" clause. It appears to me that England is the one country in the world to which that clause is of the greatest importance, because having no inducements to hold out to other countries by reductions in our tariff to obtain corresponding reductions on their part. England now is very helpless in any negotiations with a view to a reduction of tariffs; and if it were not for the "most favoured nation" article which enables us to get the benefit of any reductions which foreign nations may make in their tariffs in favour of third countries, we should be exposed to the greatest possible danger. Therefore my own view has always been that the "favoured nation" clause is the sheet anchor of our commercial position, and that nothing would be more dangerous than to tamper with it.

6604. And you think that as liberal and equitable an interpretation should be given to that clause as possible?—I think our interest is very strong in putting upon that article a wide and liberal construction.

6605. And you consider it doubtful whether with a wide and liberal construction of that article we should be at liberty to levy duties upon sugar coming from certain countries, whereas we do not levy duties upon sugar coming from other countries?—It would be very difficult, even upon the supposition that we could impose in every case a duty which exactly countervailed the amount of the bounty; but I think that it would be still more difficult to act upon a liberal construction of the treaty if we were to attempt to impose one

Lord Frederick Cavendish—continued.

rate of countervailing duty on the sugars of countries which imposed different rates of bounty.

6606. Therefore, by anything approaching an equitable construction of that clause we should be bound to make the countervailing duty as nearly as possible equal to the bounty given?—I think that unless we could do this we should expose ourselves to very disagreeable controversies which might land us in great difficulties.

6607. And as each country apparently gives a different form of bounty in connection with its drawback we should have to levy a different amount of countervailing duty upon the sugar coming from each of those countries?—That would be the only way of making our countervailing duty exactly correspond with the bounty.

6608. Which we should be bound to do by any ordinary interpretation of the "favoured nation" clause?—We should be bound to do it if we were to place upon the "favoured nation" clause the kind of liberal and equitable construction which I would desire to see placed upon it.

6609. For instance, we have been told that the bounty given by Austria is double that which is given by Germany upon the export of sugar; therefore the countervailing duty upon sugar from Austria would have to be different from that upon sugar coming from Germany?—Yes, I think so.

6610. I suppose, when we were embarking upon this policy of countervailing bounties by duties, we should have to consider, not simply and solely, the bounties given in connection with drawbacks, but any other bounties which might be given by the State; if, for instance, in a country where the railways were owned by the State, the sugar was taken free of charge?—That appears to me to come precisely under the same rule.

6611. Practically, that would be a bounty equally with that given in connection with the drawback?—It has the same effect.

6612. Can you conceive a method by which we should calculate the amount of the countervailing duty to be levied on sugar coming from a country like the United States, where some part of the raw sugar is home grown, and consequently pays no duty while the other part pays a large duty?—I know of no means by which a calculation could be made which would enable us to fix a duty at a rate that would exactly correspond with the actual bounty given. I am unable to think of any method which could be resorted to.

Mr. Thornhill.

6613. You said that you do not believe that the prices are influenced by the bounty; what do you believe has lowered the prices of sugar lately, if you do not think the price is influenced by the bounty?—The cause of the fall in price is undoubtedly some alteration in the relation of supply and demand. The effect of the bounty is said to be, I suppose, a very large increase in the supply. I should have thought that it was very difficult to suppose that the increase in the production of bounty-fed sugar would be sufficient to account for the very great fall in price that we have seen, unless it had been accompanied by other causes, and those causes I have been in the habit of considering as of a general kind, namely, the diminution in consumption which

Mr. Thornhill—continued.

which has been the result of the very great depression of the last few years.

6614. Do you consider it to be legitimate free trade that we should have to compete with bounty-fed products?—I certainly think the operation of these bounties is a distinct interference with the natural course of trade.

6615. You said, I think, that a countervailing duty would be most impolitic, as it would injure the British consumer, and that the grievances of the rest of the community might be met by adopting some other course; what other course would you suggest?—My meaning in the answer that I gave to that question, which must be taken in connection with the context, was this; that rather than resort to a countervailing duty, the case of the refiners might be met by a direct subsidy on the part of the State.

6616. I think you also said that that could only be brought about as far the sugar growers were concerned by an enormous extension of the foreign sugar trade, and much larger bounties. Did you notice in the City article of the "Times" to-day, an article from Barbadoes, in which they say, "Prices continue very low, there being little or no demand. This state of things in the market begins to make itself seen in the number of sugar estates thrown into Chancery, the owners of which have been compelled to succumb to the pressure; others, we fear, will follow before the end of the year, and unless Parliament interferes to prevent the ruinous effects of the competition with the bounty-fed beet sugar introduced from the Continent into the English markets, we see no end to the process but in the abandonment of the sugar cultivation in this island." Supposing that after that were done foreign governments took off their bounties altogether, what position would the consumers be in then?—I presume that in such a case the production of sugar which it is assumed has been checked by these bounties, would recommence. Of course, the immediate effect, I suppose, would be an increased price which would stimulate production in different countries, and bring us back to the same point again.

6617. I think you admitted that we might expect that there would be a failure of the beet crop occasionally, as there was in 1876?—Yes.

6618. That failure involved an increase in the price of sugar at the rate of 50 per cent. If that was spread over five years it would be 10 per cent. per annum; that is really all the amount that we ask to be allowed on the sugar to be used by the consumer; so that supposing that there was a failure in the beet crop every five years the consumer would be in exactly the same position as he would be in, supposing that we had this countervailing duty placed upon sugar?—No doubt, if the effect of the duty would be to diminish the production of the beet-root sugar in exactly the same proportion as it kept alive the production of other sugar, the effect on the consumer would be the same.

6619. You say that the country giving the bounties suffers the most; suppose we take Austria; is the State not compensated for the bounty by the maintenance of a large industry, employing thousands of people, and bringing into cultivation large tracts of country; and can you not conceive it to be a matter of great importance for a State like Austria to keep her

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Mr. Thornhill—continued.

sugar industry by giving bounties?—I cannot myself believe that it is a wise or an economical policy on the part of the Government. I think in all probability that energy and industry would be more profitably employed in a more natural way without this artificial stimulus.

6620. With reference to the extract which you read, the Convention of 1864 did not prevent the abolition of duties, I think, because the object of the Convention was to abolish bounties which would have been most effectually accomplished by the abolition of duties?—The object of the Convention was no doubt to get rid of bounties.

Mr. Bell.

6621. You said just now that you looked upon these bounties as a direct interference with free trade?—Yes.

6622. And therefore you would be very glad to see any arrangement carried into effect which should have for its consequence the annihilation of this bounty system?—Yes.

6623. And an honourable Member sought to obtain your opinion upon our commercial relations with foreign nations by referring to the wine trade between this country and Spain; in reference to another branch of industry, namely, that of iron, I think you are aware that at the present moment there is an import duty levied upon pig iron received from this country in Belgium and in France?—There is.

6624. Individual manufacturers or importers on paying such duty, as I understand it, receive a kind of certificate which enables them to have the duty returned, upon their showing that a similar weight of iron in the shape of malleable iron, or iron in the form of machinery, has been exported to foreign countries, that is, outside of France or Belgium; that is so, is it not?—Yes, that I believe to be the case.

6625. That line of procedure, of course, enables the French and Belgium bar iron makers and manufacturers of machinery to avail themselves of the cheaper British pig iron, and to compete with British houses in the open markets of the world for bar iron, and for machinery?—Undoubtedly.

6626. Such a transaction as that which I have just referred to as a whole might, so far as the malleable iron manufacture is concerned, not affect British iron works; if the pig iron imported were used by the malleable iron manufacturers in Belgium or in France?—No.

6627. I do not know whether you are aware that that is really not the line of conduct pursued; the pig iron sent from this country to the two countries in question is practically entirely used in the foundries for making castings; are you aware of that?—I was not aware of the fact, but I can quite believe that it is so.

6628. While the iron employed by the manufacturers of malleable iron is white iron of a low quality made in France and Belgium, and which is absolutely useless for foundry purposes?—Yes.

6629. I do not know whether you have attended to the quotations of iron recently in Belgium; but we may assume that the selling price of pig iron for the founders is such that virtually for pig iron of the same quality the foreign makers receive the English pig iron, plus the carriage and the duty; we are their great competitors?—Yes.

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6630. And,

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Mr. Bell—continued.

6630. And, of course, they will get a price such as the English pig iron manufacturers are willing to receive, plus the cost of conveying the pig iron to Belgium or France, as the case may be, and the duty?—No doubt.

6631. That practically means this, that the British pig iron manufacturer virtually pays the duty; that is to say, if there were no duty paid he would get a higher price than he does now, because he has to compete with the Belgium pig iron maker who has no duty to pay?—Yes, undoubtedly.

6632. But then the importer of English iron, after having been thus reimbursed the duty, when he comes to sell his foundry iron to the consumer in Belgium, actually gets back the duty from the purchaser; that is to say, he gets the British price, plus the duty that he has paid, and plus the freight that he has paid; that is so, is it not?—Yes, he gets that from the consumer in Belgium.

6633. Or, on the other hand, if he is a bar iron maker, as often happens, his expense of manufacturing his produce is reduced by the amount of the duty that he receives from his own Government?—No doubt.

6634. Therefore, under such a state of things as that supposes, the payment on foundry iron not used by the bar iron makers is employed by the latter, who employ iron entirely unsuited for the founder; and that is a distinct advantage to the malleable iron manufacturer?—It is an advantage to him by enabling him to get a drawback on a manufacture on the raw material of which he has paid no duty; and, therefore, it is a bounty.

6635. Therefore it may be regarded as a bounty paid to the malleable iron manufacturer; and there is, moreover, the disadvantage to this country of its having been paid by the British pig-iron maker?—The effect of that arrangement appears to be undoubtedly to give to a manufacturer, under such circumstances, the opportunity of obtaining, on the exportation of a finished manufacture, a sum of money from the Custom House which he did not pay on the importation

Mr. Bell—continued.

of his raw material. That is simply a bounty. Then I presume that he could hardly obtain from the importer the whole amount of the drawback, because the importer would have no motive in giving him the whole of it; it would probably practically end in their dividing it in any proportions which supply and demand would bring about. But, in any case, it seems clear that a Belgian or French purchaser who became the purchaser of this *acquitté à caution* would obtain upon that a bounty; a sum of money not equivalent to the whole extent of the import duty paid by the man who imported the raw material which he had not used, but a portion of it; and to whatever extent he got it it would distinctly be a bounty, pure and simple, to the manufacturer.

6636. That is supposing that the duty paid on a ton of pig iron going into a foreign country were 10s., and this, as I have already stated, was paid in reality by the British manufacturer; that is, he got so much less for his pig iron; but the person who paid for it, namely, the importer, was reimbursed by his customer; he receives from the Government a certificate to the effect that he has paid 10s. upon a ton of iron so imported; as you very properly said, it would be useless for him to expect that a manufacturer who was going to export an equivalent weight of bar iron should pay him the 10s.; practically, they might divide it by half, in which case the bar iron maker would benefit by the 5s. that he had not paid; and to the extent of that 5s., or, in fact, to such an extent as was less than the 10s., it practically would be a bounty to him in his trade?—It would I think.

6637. If that were the case I think you would be of my opinion, that if the sugar manufacturers of this country had a reasonable claim for a countervailing duty, the pig iron manufacturers might also set up a similar claim?—It appears to me that the analogy is so very great between the two cases, that it would be very difficult to adopt a policy with regard to one which it would not be necessary to adopt in the case of the other.

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Appendix, No. 1.

MEMORANDUM.

THE SUGAR QUESTION.

THE present Memorandum is submitted in order to show in one paper—first, what has passed on this subject in connection with the Convention of 8th November 1864, and the negotiations in regard to it between different Powers; and, when the state of the question has been thus explained, to set forth its present position.

The object in view in the conclusion of the Sugar Convention of 8th November 1864, between Great Britain, France, Belgium, and the Netherlands, was the desire of regulating, by common agreement, the international questions relative to the laws affecting sugars, and especially to the drawback granted on the exportation of refined sugars. The desire for an understanding on the subject arose out of the policy to which the Commercial Treaty of 23rd January 1860, between England and France, gave expression. The legislation in different countries with respect to sugar was hostile in its character; and some States, at all events in effect, had established for sugars a protectionist system, intended to favour national industry.

There are certain preliminary considerations necessary to a right understanding of the whole subject, which it is advisable to state in the first instance. At that period cane sugar retained the chief command of the market. The changes which were impending consequent on the increased manufacture of beetroot sugars were not sufficiently foreseen nor taken into account. Cane sugar is composed of pure sugar and molasses; and, as pure sugar is white and molasses black, the mixture of the one with the other gives varying shades of colour according to the proportion of the admixture. In this state of things, colour had been recognised and accepted as the indication of quality. But colour does not adequately determine the quality of beetroot sugar; and although there is variety in beetroot sugar with respect to its yield in the refinery, there is little of it which does not admit of crystallization. And so, apart from any possible discrepancies between the qualities and colours of cane sugar from different places of growth, colour, as applied to cane sugar, would not be found to apply in the same manner to beetroot sugar.

Sugar, cane or beetroot, it should be stated undergoes the first process of manufacture in factories, and then, when the further process of refining is resorted to, is taken into refineries. It enters into consumption, or is exported, in a manufactured or purified condition. If exported, the right to "drawback" the duty paid on the raw commodity is allowed by law, and hence, as the matter is well explained in a Report by Mr. Ogilvie, submitted to Her Majesty's Government in the course of the negotiation of the Convention of 1864, "arises a question very difficult of solution—What amount, calculated according to the quantity of the sugar in its altered condition, will fairly represent the duty actually paid on the raw or unmanufactured material? The differences in the quality of raw sugar arising from the nature of the plant, from the juice of which it is extracted, from the variety of climate and soil as affecting such plants, as well as from the extent and nature of the process of manufacture, render it a matter of impossibility to lay down definite rules as to the proportion of pure sugar that may be extracted from the raw material, which shall be exactly true and correct. The utmost that can be done is an estimate or a series of estimates, which on the average will be an approximation to the real result of refining, and this estimate will be more accurate in proportion as the sugar under consideration is of a higher quality, or, in other words, less impure, it being in the lower qualities that the difficulty of judging of the real purity is more difficult."*

The subject of sugar duties and drawbacks had engaged the attention of the British and other Governments previously to the negotiations connected with the Convention of 1864. In the Protocol of 23rd July 1862, annexed to the Commercial Treaty of the same date between England and Belgium, it is recorded :—†

"With regard to sugar, the Government of His Majesty the King of the Belgians reserve to themselves to renew their proposition that an agreement should be come to between Great Britain, Belgium, France, the Zollverein, and the Netherlands for respectively

* Report by Mr. Ogilvie of 15th October 1864, in Treasury Letter of 20th October 1864.

† Hertault's "Treaties," vol. xi, p. 73.

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tively bringing the duties upon raw and refined sugars imported from any one of those countries into the others to an equality with the taxes imposed upon the same production of national origin, and for terminating simultaneously in those five countries the system of bounties on the exportation of sugar."

In December 1862 the French Government made a formal proposal to Her Majesty's Government, that a Conference should be held at Paris with the view to an international agreement on the Sugar question, and announced that the Belgian and Netherlands Governments were disposed to be parties to it.* This proposal was accepted.† Conference accordingly took place at Paris and London in 1863 and 1864, and finally the Convention of the 8th of November 1864, between the Four Powers, was signed. The Zollverein did not take part in the negotiations or Treaty. The object of the French Government in the negotiations was stated to be "to establish uniform rates of drawback to be paid by the French, British, Dutch, and Belgian Governments on the exportation of refined sugars." It was further explained "that the French Government wished that the principle upon which the amount of drawback should be calculated should consist in determining the exact quantities of refined sugar that can be manufactured in the refineries from the various classes of raw sugar used in the process, and that the drawback should represent the amount of duty paid on the raw material only, without giving any benefit to the manufacturer by way of bounty; that the products in the refineries having been determined by experiments and standards approved, the law should define the quantities of each class of raw sugar to be used in the manufacture of refined sugar, in order to entitle the same to drawback, and that, the products being thus established by law, each country should regulate the drawback in exact co-relation with its import duties."‡ The principles thus laid down were agreed to by Her Majesty's Government, and subsequently by the other Powers, and they form the basis of the Convention of 1864. It thus did not deal with manufactured as distinguished from refined sugars, nor with rates of duty in each country. The basis of duty for raw sugar in the contract factories was fixed; but in other respects each country regulated apart from the Convention its sugar factories and the rates of its sugar duties. In France the sugar factories, about 500 in number, worked in bond.

The system, first introduced in Holland, of classifying raw sugars in divisions, according to colour, each bearing a distinctive number, was adopted in the Convention of 1864. Four such divisions or classes were made, and an average ratio between the raw sugar and the refined sugar to be produced from it was established for each class. Belgium, France, Great Britain, and the Netherlands engaged to establish their respective duties and drawbacks on this system; there was thus to be a correlation between them. Each Power was free to fix the rates of sugar duties as it pleased subject to this correlation. The Convention also stipulated that the duty on home-grown sugar should be paid according to a fixed estimate of the yield of a certain amount of sugar juice as determined by quantity and density. The manufacturer, after this yield has been determined, can proceed as he pleases; if the ultimate yield is less than estimated, he loses; if it exceeds, he gains.

This system—known as the contract system—is in operation in Belgium and the Netherlands; while in France sugar is manufactured in bond, and the duty is levied on the finished product.

The precise yield of four classes of sugars in the process of refining was not definitely settled in the negotiation of that Convention, and it was provided that practical experiments should be made after the exchange of ratifications, in order to determine their real yield. These experiments were made at Cologne in 1866, and a declaration was signed at Paris on the 24th of November 1866, which substituted the yields as determined by them for the provisional arrangement made in the Convention. The result is shown in the following Table:—

MINIMUM of the yield of Sugars in the process of Refining per 100 kilogs. of Raw Sugar.

Number of the Series of Dutch Standards.	As regulated provisionally by Convention of 8th November 1864.	As fixed after the Cologne Experiments by the Declaration of 20th November 1866.
18 - -	87 kilog.	94 kilog.
17 - -		
16 - -		
15 - -		
14 - -	85 "	88 "
13 - -		
12 - -		
11 - -		
10 - -	81 "	80 "
9 - -		
8 - -		
7 - -		
Below 7 -	76 "	67 "

It was

* Marquis de Cadore, 2nd December 1862.

† To Baron Gros, 26th January 1863.

‡ Statement by M. Ozenne in the Conference held on 5th July 1864.

It was provided that the arrangement fixed by the Declaration of 20th November 1866, should come into operation on the 1st of May 1867, but that "the execution thereof is, however, to be subject, in case of need, on the fulfilment of the formalities and rules prescribed by the constitutional laws of those of the Contracting Parties, for whom such a sanction is required."

These arrangements were carried into effect as regards England by the Act 30 Vict. c. 10, 5th April 1867, and in Belgium and the Netherlands by laws enacted about the same time. But they were not fully carried into effect in France. The French Government in the first instance contended that although the experiments at Cologne had altered the original estimate of the yields, yet that, as the average yield of all the classes was unaltered, France was not called upon to take any steps in the matter. After a long correspondence and a Conference of Delegates held at the Hague in August 1868, the French Government admitted that this position was untenable. It was urged, however, on their behalf, that under the existing legislation in France in regard to sugar, in connection with colonial and differential surcharges, the complaint of the three Powers in this respect could not be at once redressed. A precise correlation had not been established in France between the duties to be levied on raw sugars and the yields fixed by the Declaration of 20th November 1866, and, therefore, it was not possible to make at once the required alteration in regard to refined sugars. A compromise was agreed upon, and a provisional system on the part of France was accepted by the other Powers. A Declaration to sanction this compromise was signed at Paris on the 4th of November 1868, by which France was allowed a period of delay, until the 31st December 1869, to effect the complete correlation. It should be mentioned that at the Hague Conference the Netherlands delegates urged that sugars should be divided into six instead of four classes, on the ground that, especially when the duty is high, importers seek to pass sugars at the maximum limit of the class, and that, as the duty is calculated on an average, the revenue suffers in consequence. The Netherlands and Belgian Delegates further pointed out that the official samples of the standard types, established in conformity with the Convention of 1864, were no longer correct, having become affected by heat, light or damp, and urged that they should be renewed.*

In February 1869, the French Government called attention to a difficulty which had been experienced in France in the treatment of certain sugars termed "pieces." After some correspondence, another Conference was held at the Hague in October of that year. The French Delegates explained that the French Government had as yet been unable to take steps to establish the correlation between duties and yields, and that they would not be able to do so immediately, and the Conference agreed upon certain recommendations to the Governments represented, which were embodied in a Declaration signed at Paris on the 27th December 1869.

First: The period granted to the French Government for establishing an exact correlation between the duties to be levied on raw sugars and the yields fixed by the Declaration of the 20th November 1866, was extended to the 30th June 1871.

Secondly: The provisional arrangement in France was prolonged.

Thirdly: The question of "pieces" was settled.

Fourthly: Liberty was given to subdivide the four classes of sugars, without, however, modifying the limit of any one of them, or lowering the average yield of the different qualities of sugar comprised in them. The Delegates, it should also be mentioned, agreed that fresh standards of Havana sugars should be supplied by the Netherlands Government, and fresh standards of beetroot sugars by the French Government.†

The war of 1870 took place before the time fixed for the correlation to be made in France. It was not made, and the evils complained of as arising from its absence were aggravated by a considerable increase in the sugar duties in France under laws passed on the 8th July 1871, and 22nd January 1872.

In 1872, the British sugar refiners made strong representations with respect to the Convention of 1864. They alleged that three departures from its principle were then in operation, "the first arising from a defect inherent in a classified scale; the second, from an incorrect classification of beetroot sugar; the third, from appearance being not always an accurate test for the classification of such sugar." They pointed out that a classified scale is only an approximation to accuracy, because each class will embrace sugars containing more and less actual sugar than the quantity on which the duty for that class is calculated. When the duty is low, and the steps between the classes therefore small, this circumstance is of little importance. But when the duty is high this difference between the rates of duty becomes considerable, and the incompleteness of the system of a classified scale is clearly shown. In 1864, the rates of duty in the four countries were not dissimilar in amount, but in 1872 the English duty had been lowered and the French largely increased. This state of things enabled the French refiners, by adjusting the sugars used by them to the conditions thus produced, to obtain large bounties. The refiners also pointed out that in 1864 the classes were arranged and their yield established in conformity with experiments made chiefly with cane sugar. Since that time the production of beetroot sugar had largely increased; in France it had doubled. Beetroot sugar, it was observed, contained more pure sugar than was represented by its classification, and hence an increased bounty was obtained in its use. And, further,

appearance,

* "Additional Papers concerning the execution of the Convention of 8th November 1864," laid before Parliament in 1869.

† "Additional Papers concerning the execution of the Convention of 1864," laid before Parliament, 1870. O.104.

Appendix, No. 1. *appearance*, the test for classification adopted in the Convention of 1864, does not hold good in regard to beetroot sugar. So little, it was stated, can beetroot sugar be judged by appearance, that it is not bought and sold by that test, but by analysis. In proposing the remedy for the evils complained of, the refiners put aside any scheme of an increase in the number of classes as impracticable, and any revision of the standards as uncertain. They therefore proposed "international refining in bond and payment of duty on the products." In a subsequent letter the refiners expressed their willingness to bear the expense of the supervision of refineries under bond, and to accept any system of levying in which the Government might deem right to impose.*

It should be mentioned that the subject of refining in bond was discussed in the Select Committee of the House of Commons on Sugar Duties in 1862. It was, however, in great measure considered as a partial and optional system, in which form it had previously been tried in the United Kingdom, not as universal and compulsory. In the end the Committee reported on this point, "That the evidence does not justify the Committee in recommending the adoption of refining in bond."

It is to be observed that the circumstances of the case had altered, as regards this country, in the interval between 1862 and 1872. The duty on refined sugar per cwt., had been reduced from 18 s. 4 d. to 6 s.; there was, therefore, less danger to the revenue from fraud. The refiners offered to defray the cost of refining in bond, which had been estimated at between 40,000 l. and 50,000 l. per annum; the objection on the ground of expense had, therefore, been removed. The refiners themselves asked for its adoption; the opposition of the influential portion of the traders, which before had been adverse to its adoption, was therefore withdrawn. Refining in bond was, however, proposed by the British sugar refiners as an international arrangement; in other words, as expressed in their memorial of the 6th of May 1872, the application was conditional that "*this system must of course be adopted in all the countries.*" After considering these representations, Her Majesty's Government convoked a conference of delegates of the Four Powers in London in August 1872; and the British Commissioners, under instructions to that effect, formally proposed the adoption of the system of refining in bond. The Belgian Commissioners at the outset explained that, for reasons of administration, and on social and political grounds, the Belgian Government could not adopt this system. The Netherlands Commissioners wished to ascertain whether the object in view could not be obtained by other means, and said that their Government would only be willing to agree to refining in bond in the last resort. The French Commissioners did not in distinct terms refuse to agree, on the part of their Government, to its adoption. They dwelt on the difficulties which had been found to exist in England, when refining in bond had been in force in this country, and on its abandonment in consequence; and they urged that the statements with respect to bounties in France were exaggerated, and that they would be reduced to a small amount when the correlation of duties had been established. It had been alleged that these bounties amounted to 800,000 l. per annum, whereas the actual sum was about 320,000 l., which, when the new law was passed to regulate sugar duties and drawbacks, would be reduced to about 120,000 l., a small amount on a revenue of about 7,000,000 l.

After this preliminary discussion, the British Commissioners submitted the following points for consideration:—

1. That under the arrangements founded upon the experiments at Cologne, a yield above the average of the class is obtained on the use of beetroot and the richest cane sugars, the descriptions principally used in France and Holland.
2. That this inequality is aggravated by the augmentation of import duties in France, and by the incomplete execution of the stipulations of the Convention of 1864.
3. That the test of colour failed to insure a just assessment of duties, particularly as regards beetroot sugar, the consumption of which was increasing every year.

The Delegates of the Three Powers, Belgium, France, and the Netherlands, maintained their objections to refining in bond. They admitted, however, that in the existing condition of the manufacture of sugar, it is no longer expedient that colour should be the only basis for the assessment of duty; and a series of measures were proposed to render more efficacious the provisions of the Convention of 1864. The British delegates were of opinion that these measures would not attain the object in view, and repeated their proposal for the establishment of the system of refining in bond. Under the circumstances, the Conference was unable to arrive at an understanding on the subject; it recorded the recommendations on each side, and suggested an inquiry whether science could supply a process by which the imperfect system of standards might be corrected.†

A fresh Conference was held at Paris in April 1873. Elaborate statements were made by the Commissioners of Belgium, France, and the Netherlands, and tests by saccharimetry were strongly recommended by them. The Delegates of these Powers refused to adopt the system of refining in bond. The British Commissioners were not provided with precise instructions. They, therefore, suggested to Her Majesty's Government that if this mode of solution of existing difficulties was to be pressed and fully discussed, Her Majesty's Government should make direct representations for that purpose to the other Governments, and that the Conferences should be adjourned for a short interval, to allow the case to be fully stated. They were informed, in reply, that Her Majesty's Government were favourable, generally to the substitution of a system of refining in bond for that which was then in force,

* Sugar Duties. Memorials from the Trade. House of Commons Paper, 1873.

† Parliamentary Papers. Miscellaneous. "Commercial No. 1, 1873."

force, but were not prepared to interfere directly, nor to recommend an adjournment of the Conference for the purpose. They were further authorised to sign the report of the Conference, if it was confined to improvements which commended themselves to their judgment in the method of testing sugars, provided that it contained nothing condemnatory of the system of refining in bond, and nothing which required fresh legislation in this country for any other purpose. In this state of things, after prolonged discussion, in the course of which the delegates of the other Powers refused to agree to refining in bond, the only ground of agreement and united action could be found in recommendations to the several governments for improvement in the existing system in the following terms:—

1. Recourse to the saccharimetry in order to test yields; and the richest sugars of a lower class to be included in the class next above.
2. The yield in the Belgian contract system to be augmented.
3. France to establish immediately the correlation between the duties on sugars and the yields fixed for exportation.*

On receiving the conclusions of the Conference, Her Majesty's Government stated that they did not propose to come to any decision until a sufficient time had elapsed to enable the sugar trade of this country to express an opinion as to the effect which the adoption of the protocol embodying them would have on their interests; but it was stated that Her Majesty's Government were then inclined to consider that the proposed conditions were favourable to British interests. The refiners, however, made strong representations to Her Majesty's Government against the conclusions of the Conference; and in the end it was decided not to adopt the recommendations of the Conference. Her Majesty's Government, therefore, declined to assent to the protocol in which they had been embodied.

After what had passed in the matter, Her Majesty's Government declined to send delegates to a fresh Conference which it was proposed, in February 1874, should be held in Brussels. The points bearing on the non-fulfilment by France of the stipulations of the Convention of 1864 were fully set forth by a deputation from the British sugar refiners before the Mixed Commission appointed under the Commercial Treaty of the 23rd July 1873, between England and France, at sittings held in London in February 1874; and M. Ozenne, the French Commissioner, engaged to give them attention on his return to France. In March 1874, the sugar question was fully discussed in the National Assembly, in connection with a Bill for the imposition of new taxes. M. Pouyer-Quertier, who had been Minister of Finance, strenuously supported the system of refining in bond, and adopted the estimate that the bounties obtained by the French refiners amounted to 800,000 *l.* per annum. After several days' discussion, the National Assembly voted that refining in bond should be established in France at latest on the 1st July 1875.†

The sugar question was again taken up in the meetings of the Mixed Commission under the Treaty of the 23rd July 1873, held at Paris between April and July 1874. M. Deseilligny, Minister of Commerce, and *ad interim* Minister of Finance, agreed under the recent vote of the National Assembly, to expedite preliminary measures, and to establish refining in bond at latest in October 1874. The settlement of the other points above adverted to in regard to France would have been included in this proposed arrangement; and on this understanding they lost immediate importance. But a change of Ministry occurred in June of that year, and the personal engagements of M. Deseilligny fell through. M. Ozenne, too, was attacked with serious illness, and for the time could not attend to business. It then became evident that refining in bond would not be established at an early date; but as the Duc Decazes continued to assure Her Majesty's Government that it was the desire and the determination of the French Government to introduce it as soon as possible, there was every reason to expect that the vote of the National Assembly for that purpose would be carried into effect. At the same time it should be stated that in the debate above referred to, the Budget Committee of the Assembly had urged that it might be disadvantageous for France to adopt the system of refining in bond, unless it was simultaneously adopted by the other Contracting Powers; and that it had been apparent all along that there was a strong political opposition to the measure, and that it found little favour in influential quarters in the French Administration.‡

It was not until March 1875, that the French Government communicated to the other Powers drafts of Regulations and of Bills to give effect to them, to carry into execution refining in bond, the preparation of which had been commenced under the orders of M. Deseilligny in May in the preceding year. In submitting these drafts the Committee of the Conseil Supérieur du Commerce which prepared them recommended that, if foreign Powers should refuse to adopt refining in bond, the National Assembly should be asked to reconsider the vote which enjoined the establishment of that system in France on the 1st July. Indication was thus given that France might not adopt that system if it was only to be applied in France.§ A Conference at Brussels was proposed to discuss these arrangements, and to arrive at an understanding between the Powers in regard to them. The British refiners had complained of the delays of the French Government, and were not altogether satisfied with the proposed measures. The Conference accordingly met in May 1875, and agreed upon a draft of a new Sugar Convention, by which refining in bond

was

* Parliamentary Papers. Miscellaneous. "Commercial No. 2, 1873."

† Parliamentary Papers. "Commercial No. 20, 1874;" more particularly Lord Lyon's Despatches of 26th, 27th, and 28th February, and 6th, 12th, and 13th March.

‡ Parliamentary Papers. "Commercial No. 20, 1874."

§ Lord Lyons, 21st February 1875.

Appendix, No. 1. was to be established in France and the Netherlands, and the existing system in Belgium was to be improved. This draft of Treaty was considered by the Powers after the close of the Conferences. It was made in some points more definite and complete in the course of diplomatic correspondence, and a Convention was signed by the Representatives of the Four Powers at Brussels on the 11th August 1875, which provided,—

That refining in bond should be established in France and in the Netherlands. The 1st September 1876 was fixed as the date for its adoption in the Netherlands, but no date was fixed as regards France.

Systems under which refining in bond was to be applied were laid down.

England was to adopt refining in bond in the event of re-imposition of sugar duties.

Belgium was to make certain specified improvements in the existing system, and certain specified reductions in sugar duties.

Drawbacks granted on exportation were to be "the exact representation of the customs or excise duties levied on the same products."

While these communications between the Powers were taking place, the French Legislature, on the motion of the Government, by a law of the 29th July 1875, postponed the introduction of refining in bond until the 1st March 1876. Lord Lyons more than once reported that in the end the probability of its establishment depended upon its adoption by other Powers as well as by France, and that the French Government had declared that if other Powers did not adopt it the National Assembly would be asked to reconsider the law of March 1874. Lord Lyons said "it is, to say the least, doubtful whether, in such a case, the Assembly would maintain the law."*

Her Majesty's Government had been disposed not to authorize the signature of the new Convention in consequence of refining in bond not having been put into force, under the French law of the 12th March 1874, on the 1st July 1875; but after considering Lord Lyons' explanations it was decided to authorize Sir Savile Lumley to sign it, and, as stated above, the new Convention was signed at Brussels on the 11th August 1875.†

The National Assembly, by a further law of the 30th December 1875, under which the scale of sugar duties was revised, established a system of saccharimetric analysis for testing sugars, and divided sugars into six classes instead of four, as an alternative arrangement, to take effect on the 1st March 1876, in the event of the non-ratification of the Convention of the 11th August 1875. The National Assembly thus, in view of this contingency, continued in force the temporary arrangement made by the law of the 29th July 1875.

Delay again took place in dealing with the question.

Laws were passed by the Belgian and French Legislatures to give effect to the Convention of the 11th August 1875, but it was rejected by the second Chamber of the Netherlands Parliament on the 5th March 1876. On the 7th of the following month, however, a motion was carried in that Chamber to the effect that it was desirable to proceed with new negotiations on the Sugar question, with the view to the conclusion of a fresh Convention on condition that it should be optional to Holland to abolish sugar duties.‡ In the correspondence which ensued, it was not very apparent what was the course recommended by the French and Netherlands Governments, or what were their objects in view. It was obvious, however, that while Belgium consistently refused to adopt refining in bond, there was great opposition to it in France and the Netherlands. The British sugar refiners urged that every facility should be given by Her Majesty's Government to the conclusion of a new Convention and the adoption of refining in bond; but at the same time Mr. Martineau stated in a semi-official letter, dated the 19th April 1876, that while the refiners adhered to the belief that refining in bond or abolition of duty are the only effectual means of abolishing bounties, they would "certainly consider 'saccharimetry,' if adopted under a satisfactory system, a great improvement on the present régime, and would rather have a Treaty on such a basis than no Treaty at all."

Her Majesty's Government expressed their willingness to take part in a fresh Sugar Conference at Paris, "on condition that no method for the settlement of the question shall be excluded from discussion at the Conference; that is to say, that Her Majesty's Government understand, in agreeing to this Conference, that it is not to be considered that the system of refining in bond is finally abandoned, or that the system of saccharimetry, or indeed any other system, is previously adopted by the Powers there represented."

A fresh Conference was accordingly held at Paris in July and August 1876. It was first proposed to revive the Conference of 1875, reserving power to each country to suppress the duty on sugar. The Netherlands Delegates made the first objection, saying that, "excise supervision of refineries, unless tempered by special arrangements, would probably give rise in their country to the opposition which it had already encountered in 1875;" and they asked for further guarantees on the part of Belgium. The French Delegates, "while showing themselves quite disposed to accept the obligation of excise supervision, if an understanding were not come to on a basis more in conformity with the liberty of industry, could not admit that this obligation should be imposed, without some sort of compensation, on their own refineries alone. Even the suppression of duty appeared to them in no way a just equivalent for the charges of excise supervision." They supported the observations made by the Netherlands Delegates with respect to Belgium, and asked that England should take measures to check the bounty given in countries not included in the Treaty engagements of 1864, especially in Austria-Hungary, on the exportation of raw sugars. It was explained that this latter question was not within the programme of the Conference.

* Lord Lyons' Despatch of 29th March 1875, in Commercial No. 20, 1875.

† Parliamentary Papers. "Commercial Nos. 19 and 20, 1875."

‡ Sir E. Harris' Despatches of 6th March and 10th April 1876, in Commercial No. 13, 1876.

Conference. The Belgian Delegates maintained that their Government had done all that was possible, and did not hold out any expectations of other conditions being offered on the part of Belgium.

The Report of the Conference stated that "such decided differences not permitting the revival of the Convention of 1875, it was sought to ascertain whether an agreement could not be come to on the basis of saccharimetry." Saccharimetric analysis accordingly formed the subject of examination and discussion.

The British and Netherlands delegates alike made objections to its details; and an agreement could not be arrived at on this basis. The Netherlands delegates then proposed, apart from special arrangements as before in regard to Belgium, neither abolition of duty or duty on entry into consumption under a scheme which they propounded. The French delegates objected to this scheme as not sufficiently efficacious, while they claimed for their government entire liberty of action in the event of abolition of duty in the Netherlands, and repeated their complaint as to the admission to the English markets of raw sugars, to which bounty was given on exportation. The Belgian delegates repeated their refusal to go beyond, on the part of Belgium, the stipulations of the Convention of 1875, and proposed, together with liberty of suppression of duty, an arrangement based on the double element of saccharimetry and types. The English delegates objected to it, because it appeared to reproduce a system of saccharimetry which had been already examined and rejected; the Dutch, because bounties would be possible under it; and the French, because the obligations accepted by Belgium would not be equivalent for those imposed upon France, and because it afforded no precaution against the competition of the raw sugars of which they had complained. In this state of things the delegates agreed to suspend their sittings, to report proceedings, to suggest the participation of other Powers (more particularly of Austria, Germany, and Italy) in the negotiations, and to prepare the way for reciprocal concessions.*

These three Powers declined to join in the negotiations. The Conference met again in February and March 1877, and agreed upon a draft Convention, which was submitted to the respective Governments. It provided: That sugar factories and refiners in France and the Netherlands should be in bond, and defined the regulations under which this supervision was to be carried into effect.

That, in the event of the re-imposition of sugar duties in Great Britain, the system of refining in bond should be adopted:

That Belgium should make certain specified modifications, with the view to improvement in its working, in the system in force in that country under the Convention of 1864; and should not raise the maximum rate of duty as now fixed; but, subject to this reservation, each Power retained the right to raise, reduce, or abolish the sugar duty.

Various other provisions were made, but it is only necessary to mention further that it was stipulated that, if the production of one or other of the Contracting Powers was compromised by bounties, direct or indirect, granted by other countries on the exportation of raw or refined sugars, "a new understanding might be promoted in order to consider in concert as to the measures of defences which might be taken."†

During the sittings of the Conference the Netherlands delegates went home to consult their Government in regard to the proceedings of the Conference. It was, therefore, fairly to be supposed when they signed this draft of Convention that the Netherlands Government was prepared to assent to it. When the delegates reported their proceedings to their respective Governments, Belgium, France, and Great Britain were willing to agree to it, but the Netherlands Government raised objections. To avoid further delay, Mr. F.G. Walpole, who at the Conference of 1875, and those held subsequently, had been First British Delegate, was sent to Brussels and the Hague to endeavour to remove these fresh difficulties. The Belgian Government agreed to a further reduction of their sugar duties, and to give way on the points raised by the Netherlands Government.

At the Hague, Mr. Walpole reported that the Netherlands Ministers were satisfied as regards their difficulty with respect to Belgium, and withdrew objections which they had raised to Articles VIII. and IX. of the Draft of Convention; and that on the only remaining point, namely, details of the mode of supervision, they would ask "only for modifications thereof, or explanations as to the manner in which the French Government proposed to carry it out, with the object of being able to meet objections which it might otherwise give rise to in the States-General."

Thus all difficulties seemed to be settled. But the Netherlands Government, in formulating, in an official shape, their wishes in these matters of detail as regards Belgium and France, added an altogether new stipulation, namely, that any country party to the treaty might, as an alternative system, adopt that which it had been agreed that Belgium should be allowed to retain. It is to be observed that the Belgian Government had consistently, since the question was formally raised in 1872, distinctly refused to adopt refining in bond. This proposal of the Netherlands Government was altogether new. Such a proposition had never been made before. It was not accepted by the French Government. It amounted to this: the Netherlands Government withdrew from their definite engagement to establish refining in bond; and after what had passed it was doubtful whether the French Government would adopt that system unless it was also introduced in the Netherlands. These two Governments alleged difficulties with their Chambers in the matter; and

* Parliamentary Papers. "Commercial Nos. 13 and 18, 1876."

† "Commercial No. 20, 1877."

Appendix, No. 1. and as it was in reality a matter of detail which concerned France and the Netherlands, Her Majesty's Government urged the Government of these two countries to enter into direct communication with a view to an understanding on the subject.

The sugar question was in this unsettled position when a change of ministry occurred in Holland. The new Ministry, after a period of inaction, refused to proceed with a measure of this nature which their predecessors had left incomplete; and technically they were probably within their right in this refusal. In March 1878, the Netherlands Government suddenly found that some decisive step had to be taken before the 1st April; and then, as no understanding had been arrived at between the Powers, they expressed regret that for the time being they could not find any basis, as far as the Netherlands are concerned, for the conclusion of a fresh international agreement.

Her Majesty's Government expressed much regret and disappointment at this announcement on the part of the Netherlands Government. They asked the Belgian and French Governments to support the representations which they were about to make at the Hague on the subject. After a short delay, occasioned by change of ministry, a communication to the same effect as that of Her Majesty's Government was made on the part of Belgium to the Netherlands Government; but it does not appear that anything was done on the part of France. And in July 1878, the Netherlands Government replied to these remonstrances by an explanation of the course they had taken, namely, that, after full consideration, they were unable to adopt the system of excise supervision recommended by their delegates at the Conferences at Paris in 1877; and, under the circumstances, could only adhere to the decision which had been already announced.

In July 1878, a deputation of English sugar operatives went to Paris, and had an interview with M. Léon Say. He made a statement to them on the sugar question, the more essential points of which, as regards the matters now under consideration, are as follows:—

That the bounty in France does not exceed 94,000 *l.*;

That refining in bond would be so onerous that the Government would be obliged to give some indemnity to the refiners, which would in the end be the same state of thing as the present bounty;

That refining in bond would involve a loss of 10 to 15 per cent., from errors of the inspecting officers;

That the French Government had in preparation a law for the better assessment of duty under the saccharimetric system;

That English refiners have an advantage over the French from the use of Austrian raw sugars, which obtain a bounty on exportation.

Mr. Walpole, in a Report on these statements of M. Léon Say, said that, although the system of assessment in France had been modified since M. Pouyer-Quertier's estimate in 1874, that the bounties amounted to 800,000 *l.* per annum, yet that at the recent Conferences the French delegates had failed to show that the bounties had been diminished. He reckoned them at about 540,000 *l.* Mr. Walpole did not regard the inconvenience attending refining in bond as serious; all that was wanted was a strict watch over the doors to prevent sugar going into consumption without payment of duty. He pointed out that, as regards the sugar manufactories, no inconvenience is alleged from working in bond, while, as regards the Government, it is so effectively carried out that no raw sugar escapes payment of duty.

Mr. Walpole repeated his previous opinion, that the saccharimetric system presents serious defects; that it would not have the effect of placing the duties in correlation to the real yields of sugar; and that it is not calculated to suppress bounties.

As regards the complaint about the Austrian bounties, Mr. Walpole showed that in the course of trade the price of sugar in the London market now regulates the price of raw sugar in France, and that M. Say is in error in saying that the English refiner obtains any advantage over the French refiner.

The Treasury, in September 1878, after consideration of the correspondence in that year, expressed the opinion that, although the objects at which all the Powers interested in the sugar question alike profess to aim could best be obtained by adopting the system of refining in bond, yet, if the objections entertained to that system are insuperable, their Lordships thought that the end may be to some extent gained by a well-considered saccharimetric scale, if it be strictly enforced.

This opinion, after what had passed, and on existing circumstances, was, it is to be observed, in conformity with the wishes of the British sugar refiners, as given in Mr. Martineau's letter of the 19th April 1876, above quoted. The Treasury further suggested that the French Government might be informed that the question of sugar bounties should be included in the commercial negotiations between Great Britain and France when they were resumed. A despatch to this effect was addressed to Lord Lyons, and the Belgian, French, and Netherlands Governments were at the same time informed that while Her Majesty's Government much regretted the result of the negotiations on the sugar question, they would be willing to take part in further negotiations in connection with it, if at a future time the other Powers should be willing to re-open them.*

A deputation from the Central Committee of French Sugar Manufacturers appeared before the Committee of the Chamber of Deputies on the General Customs Tariff on the 26th November 1878. M. Georges, the President of this committee, dwelt on the bounties which are obtained by the refiners. He said that at one time they were convinced these bounties amounted to 800,000 *l.*, and went on to say, "*actuellement le chiffre doit être moindre, mais il est encore considérable.*"

Other

* "Commercial No. 20, 1878."

Other witnesses spoke to the same effect. M. Jacquemart, the vice-president of this Appendix, No. 1. committee, seemed to reckon them at about 320,000 *l*.

In a paper communicated by M. de Montebello to Lord Salisbury, M. Léon Say contested, with some warmth, the estimate of bounties formed by Mr. Walpole. He appears to reckon their amount at about 100,000 *l*.

Her Majesty's representatives at Paris and the Hague were requested last February to ascertain whether there is any opening at present for fresh negotiations on this subject. The Netherlands Government have replied that they see no prospect of any satisfactory arrangement being come to on the system of saccharimetric analysis which seems to be the scheme now proposed as the basis for negotiation, but that they are "disposed to take into consideration any propositions offering the prospect of a positive result which may be submitted to them, with the object of putting an end to existing bounties."

Although Lord Lyons has repeatedly mentioned the subject no answer has been received from the French Government, nor have they brought into the Legislature the Bill for the more effectual reduction of bounties, by improvements in the saccharimetric system, which M. Léon Say mentioned to the English operatives. The French Government seem still to mix up this question with that of the Austrian sugar bounties; and to decline to introduce this Bill, because England does not give them "satisfaction" as regards Austrian sugars.*

The Committees of the West India planters, the British sugar refiners, and the sugar operatives, have continued to draw attention to the Sugar question. They have urged principally either that negotiations should be pursued with the view to the establishment of refining in bond, or that a countervailing duty should be imposed in this country.

As regards the first application, it has been shown that Her Majesty's Government without intermission urged its adoption from 1872 to 1878. It has been evident that there was not only opposition to it from the trade in France and Holland, but that the administration in those countries was as much averse to it as the Customs authorities in England were in 1862. The French Legislature in 1874 passed a law for its establishment, but that law was never followed up by the Regulations and Supplementary Laws necessary in order to carry it into effect. It does not appear that this law of 1874 has ever been, in express terms, repealed; but it has been rendered inoperative by subsequent laws of the 29th July and 30th December 1875, above referred to, by which a different course of action has been prescribed.

It is further to be observed that the party in France which advocates the application of the bonding system to the refineries has never since 1874 brought the subject before the Legislature, and that when the Sugar question has been brought forward in dealing with the Bills introduced since 1874, refining in bond has never been advocated or again discussed.

And although there is in the Netherlands also a party favourable to the application of the bonding system to the refineries, it does not appear that the subject has ever been brought before the Legislature since the rejection of the Convention of 1875.

With respect to the suggestion for the imposition of a countervailing duty, the Treasury, in a letter to the West India Committee of the 6th October 1876, stated that the proposal "rests upon a principle which the Government of this country could not admit without reversing its whole system of commercial policy. If the doctrine was still maintained that the Government should adopt fiscal measures for other than fiscal objects, and should attempt to make such measures an engine for assisting British manufacturers to compete on what may be considered equal terms with their foreign rivals, the present case might undoubtedly be considered a very proper one for the application of such a principle. But it cannot be doubted that if the Government were to act on this doctrine in the present case it would soon be called upon to do so in other cases also. Their Lordships are of opinion that the Government ought not to countenance such a step unless it is prepared to review the whole Code of the commercial legislation of this country."

As a matter of fact there is now no Sugar treaty in existence between the Powers parties to the Convention of 1864. That Convention expired in 1875, and no international engagement has been set up in its place. Sugar duties and drawbacks are now regulated in all countries by domestic legislation. Reports, in which the information is brought down to the latest date, from Her Majesty's Missions in the countries concerned in the Sugar question, on the existing systems in those countries of duties and drawbacks, and showing how bounties are obtained, will be laid before the Committee.

The gist of the matter, as regards the action of the foreign governments referred to, is that the majority of the people and the Legislature think that the benefits which, in their opinion, accrue to the agricultural, industrial, and shipping interests of the country by the development of the sugar industry, more than counterbalance any injury from the bounties granted on exportation. In 1872 a Government motion to raise the estimate of the yield in the Belgian manufactories was defeated in the Legislature. The attitude of the French and Netherlands Legislatures has been of the same nature.

Belgium, Great Britain, and the Netherlands, fulfilled the conditions of the Treaty of 1864. France, by not establishing the correlation between duties and drawbacks, did not fulfil these conditions. But, in saying so, it must also be observed that the subject was complicated in France by the Colonial and navigation system in force at that period. These circumstances were not sufficiently taken into account in 1864.

It is evident, from the circumstances stated, that in the Sugar question the results to be attained depend in an especial manner on the regulations for carrying treaty stipulations into effect, and on the spirit in which they are executed, even more than on the letter of the arrangements for which these treaty engagements provide.

It

* "Commercial No. 9, 1879."

Appendix, No. 1.

It does not seem possible, except under a system of manufacturing and refining in bond, altogether to exclude bounties on exportation. The Convention of 1864 did not exclude the possibility of bounties being obtained in any of the countries party to it.

At the same time it is to be remembered that in the Sugar question, especially, little or no advantage is to be derived from treaty engagements which are unacceptable to public feeling in the countries where they are to be put into operation, to the authorities by whom they are to be carried into effect, and to the trade to which they are to be applied. A system, of interior value in itself, which would avoid these consequences, is, therefore, preferable to one which, although theoretically superior in practice, would not work.

The annexed Tables will be of some interest. It may be sufficient to observe here that an increase of nearly 2,500,000 cwt. of raw sugar imported into the United Kingdom, chiefly at Liverpool, Greenock, and Leith, took place between 1869 and 1877.

Foreign Office, April 1879.

C. M. K.

ANNEXES.

No. 1.—QUANTITIES of SUGAR Imported into the UNITED KINGDOM in the Three Months ending 31st March—

	1877.	1878.	1879.
	<i>Cwts.</i>	<i>Cwts.</i>	<i>Cwts.</i>
Raw sugar - - - - -	3,917,000	3,786,000	4,271,000
" from West Indies only - -	525,000	579,000	613,000
Refined sugar - - - - -	789,000	781,000	798,000

No. 2.—QUANTITY of SUGAR Imported into the UNITED KINGDOM during the Years 1877 and 1878, from Countries where a Bounty is obtained on Exportation.

	1877.	1878.
	<i>Tons.</i>	<i>Tons.</i>
Germany, raw (chiefly Austrian) - -	92,411	123,203
Holland, raw and refined - - - -	31,045	51,289
Belgium - - - - -	25,864	28,888
France - - - - -	126,132	127,091
Other Countries, refined only—		
Russia - - - - -	40,156	11,567
United States, &c. - - - - }		

No. 3.—IMPORTS of RAW SUGAR and of REFINED SUGAR ; also EXPORTS of the same into and from the UNITED KINGDOM in each of the Years 1873 to 1877 inclusive.

YEARS.	SUGAR.				
	Imports.		Exports.		
	Raw.	Refined.	Raw.	Refined.	
				British.	Foreign and Colonial.
	<i>Cwts.</i>	<i>Cwts.</i>	<i>Cwts.</i>	<i>Cwts.</i>	<i>Cwts.</i>
1873 - - - - -	14,241,328	2,273,490	150,052	696,784	25,578
1874 - - - - -	14,130,041	2,717,406	382,260	922,342	143,786
1875 - - - - -	16,264,711	2,860,776	484,820	972,263	266,124
1876 - - - - -	15,612,214	2,796,414	790,282	1,192,277	198,147
1877 - - - - -	16,620,944	3,429,853	476,848	1,119,041	174,639

No. 4.—IMPORTS of RAW SUGAR and of REFINED SUGAR; also EXPORTS of the same
at various Ports in each of the Years 1873 to 1877 inclusive.

	Year.	SUGAR.				
		Imports.		Exports.		
		Raw.	Refined.	Raw.	Refined.	
					British.	Foreign and Colonial.
		<i>Cwts.</i>	<i>Cwts.</i>	<i>Cwts.</i>	<i>Cwts.</i>	<i>Cwts.</i>
London - - - -	1873	4,849,501	728,660	138,759	53,719	18,906
	1874	5,131,230	1,068,792	240,032	42,867	125,616
	1875	5,506,298	1,082,418	332,719	51,325	240,968
	1876	5,781,966	1,135,456	512,153	98,816	172,940
	1877	6,595,444	1,433,135	371,072	79,040	156,036
Liverpool - - - -	1873	3,558,827	114,319	10,240	311,372	4,347
	1874	3,521,351	158,302	137,686	487,244	4,869
	1875	3,917,553	189,505	132,683	504,546	5,089
	1876	3,886,783	145,675	232,465	504,173	6,019
	1877	4,222,030	171,156	78,849	598,820	4,957
Bristol - - - -	1873	1,361,424	213,757	1	128	54
	1874	1,437,337	252,333	23	16	26
	1875	1,640,605	197,827	4,812	145	14
	1876	1,494,224	192,014	8,379	5,201	59
	1877	564,342	302,621	3,642	1,288	20
Leith - - - -	1873	172,307	90,557	-	111,601	167
	1874	326,864	112,695	-	129,069	6
	1875	363,518	104,989	100	185,802	—
	1876	305,312	94,373	7,069	155,770	71
	1877	432,875	195,003	264	155,600	2
Port of Glasgow - - -	1873	165,847	123,375	40	60,371	505
	1874	183,195	75,689	-	167,200	1,060
	1875	115,001	137,378	100	169,724	430
	1876	58,842	73,586	3,505	336,668	5,857
	1877	13,183	63,742	950	181,486	2,227
Greenock and Port Glasgow -	1873	3,535,417	98,083	826	101,533	—
	1874	3,119,954	72,916	-	65,192	—
	1875	4,540,328	19,270	402	13,350	54
	1876	3,763,372	22,969	11,082	67,416	2,925
	1877	4,425,899	308,090	5,162	72,390	8

Appendix, No. 2.

Appendix, No. 2.

PAPERS handed in by Mr. Bourke.

REPORTS respecting SUGAR DUTIES and DRAWBACKS.

[As laid before the Select Committee of the House of Commons on Sugar Industries.]

CIRCULAR addressed to Her Majesty's Representatives at *Paris, Brussels, the Hague, Berlin, St. Petersburg, Vienna, Rome, and Washington.*

My Lord,

Sir,

Foreign Office, 24 April 1879.

I HAVE the honour to inform you that a Resolution has been voted by the House of Commons "that a Select Committee be appointed to inquire into the effects produced upon the Home and Colonial sugar industries of this country by the systems of taxation, drawbacks, and bounties on the exportation of sugar now in force in various foreign countries, and to report what steps, if any, it is desirable to take in order to obtain redress for any evils that may be found to exist."

The Sugar question has formed the subject of much correspondence with several of Her Majesty's Embassies and Legations, and has been referred to in various reports of Secretaries in Her Majesty's Diplomatic Service. In these papers, however, the subject is not treated in the manner in which it is about to be considered by the Select Committee of the House of Commons. Her Majesty's Government are desirous of assisting the Committee in their inquiries as far as possible; and I should therefore be glad to obtain from you, for their use, a special Report on the points which the House of Commons has decided shall form the reference to them.

I have accordingly to request that you will instruct Her Majesty's Secretary of or, in his absence, the Senior Second Secretary, to prepare the report now asked for. It should explain briefly the system of taxation of sugar now in force in ; the system under which drawbacks are allowed on exportation; and the mode in which bounties on exportation are obtained under these systems. Any reliable information which can be given as to the amount of such bounties should be supplied. Alterations of the law and practice in recent years in these matters should be stated; and the system in force for testing sugars and preventing frauds should be explained, with remarks on its working.

The information on these points now asked for should be brought down to the present time, and be complete in itself without necessity, in order to understand statements now made, to consult previous correspondence and reports.

I have to request that this report may be sent with the least possible delay. It should be made as brief as is consistent with a clear explanation of the points with respect to which information is required.

I am, &c.
(signed) Salisbury.

ANSWERS to preceding CIRCULAR.

No. 1.

Sir S. Lumley to the Marquis of Salisbury.—(Received 10 May.)

My Lord,

Brussels, 8 May 1879.

WITH reference to your Lordship's Circular of the 24th April last, I have the honour to enclose herewith copy of a letter I have received from Mr. Graham Sandford, Second Secretary in this Legation, forwarding a Memorandum he has drawn up on the Sugar question, in compliance with the instructions contained in your Lordship's Despatch.

I have, &c.
(signed) J. Savile Lumley.

Enclosure 1, in No. 1.

Mr. Sandford to Sir S. Lumley.

Sir,

Brussels, 7 May 1879.

IN compliance with the instructions contained in the Marquis of Salisbury's Commercial Circular of the 24th April last, I have the honour to enclose herewith a Memorandum giving such information as I am possessed of on the points touching the sugar question which are about more particularly to occupy the attention of the Select Committee of the House of Commons on that subject.

I regret that this duty should have devolved upon me owing to the absence of Sir Henry Barron. His long residence in Belgium, and his intimate knowledge of the subject, would have rendered a report from him much more valuable than any I could possibly draw up. I have only to add that the information I give has been obtained from a high and trustworthy official source, and is thoroughly to be relied upon.

I have, &c.
(signed) W. Graham Sandford.

Enclosure 2, in No. 1.

MEMORANDUM.

Foreign Sugars.

Q. 1. THE system of taxation of sugar now in force in Belgium?—A. Excise duties on foreign raw sugars are fixed as follows, viz. :—

				Per 100 Kilog.
				Fr. c.
1st Class, Nos. from 15 to 18, inclusively	-	-	-	48 07
2nd " " 10 to 15, exclusively	-	-	-	45 00
3rd " " 7 to 10, exclusively	-	-	-	40 90
4th " " under No. 7	-	-	-	34 26

The said sugars may be declared :

- A. For home consumption under net cash or credit terms as to payment.
- B. In bond.

Native Beetroot Sugars.

Duty is based on volume and density of beetroot juice.

The rate of duty on raw sugars is calculated for each operation of boiling and straining (*défécation*) on the basis of 1,500 grammes per 100 litres, and per each degree marked by the densimeter above 100 degrees (density of water), verified before the operation of *défécation* is done at 15 degrees centigrade.

Excise duty on raw beetroot sugar is fixed at 45 fr. per 100 kilog., which corresponds with the duty levied on second class raw foreign sugars imported.

Manufacturers are required to declare on or before the 15th of each month the quantity of raw sugars registered to their account during preceding month, viz. :—

1. For home consumption.
 - a. On net cash terms.
 - b. On credit account.
2. As temporarily bonded.
3. As Excise duty free, being destined for a distillery.*

General Rules relating to Foreign as well as Native Sugars.

Credit terms for the payment of Excise duties.

Credit is given, guaranteed by sureties, for 3, 4, 6, and 9 months.

Accounts

* The making of fruit or boiled root syrups being exempt from Excise, as also the making of syrup for alcohol with beetroot juice.

Appendix, No. 2. Accounts are debited with the amount of imported sugar taken directly out of bond, or from beetroot sugar factories.
Accounts are settled—

- a. By paying the credit accounts that have matured.
- b. By exportation of refined and raw native beetroot sugars, the Excise duty being remitted.
- c. By bonding refined and raw native beetroot sugars.

The remission (*décharge*) of the duties leviable on sugars exported is fixed as follows, viz. :—

Native dry raw sugars :										Fr.	c.
No 11 and above	-	-	-	-	-	-	-	-	-	45	00
From No. 8 to No. 11 exclusively	-	-	-	-	-	-	-	-	-	40	91
Refined sugars :											
Dry, hard, and translucent candies	-	-	-	-	-	-	-	-	-	54	70
Well clarified, hard, and dry loaves, and regular rectangular pieces	-	-	-	-	-	-	-	-	-	51	13
Clayed sugars (<i>carsonade</i>) :											
1st Class, No. 15 and above	-	-	-	-	-	-	-	-	-	48	07
2nd „ No. 10 to No. 15 exclusively	-	-	-	-	-	-	-	-	-	45	00
3rd „ No. 7 to No. 10 exclusively	-	-	-	-	-	-	-	-	-	40	91
4th „ under 7	-	-	-	-	-	-	-	-	-	34	26

Refined sugars, called *poudres blanches* (white crystals), when perfectly clarified and dried, and equal to standard sample, benefit by the same rules as loaf sugar when exported.

The above rule applies equally to raw beetroot and refined sugars when bonded.

By a law of the 29th May 1861, the minimum income to be derived by Government from the taxation of sugars has been fixed at 1,500,000 fr. per quarter.

Whenever the minimum has not been attained in any given quarter, the amount of the deficit is assessed at so much in the franc on the accounts still running on the last day of the quarter to the debit of the refiners and manufacturers, and if the said deficit should not be recouped at the end of the ensuing quarter, the minimum of income for the next following quarter is enhanced by the amount wanting, and so on, from quarter to quarter, until the whole deficit is made good.

The Treasury further benefits by a small fine levied of 50 c. per 100,000 fr. of deficit.*

If, during any two consecutive quarters the income derived by the Treasury exceeds the minimum fixed by law, the quota of revenue to be levied is proportionably reduced.

Q. 2. The system under which drawbacks are allowed on exportation?—A. Drawbacks, properly so called, do not exist in Belgium. When native raw sugars, or refined sugars, are exported or bonded, a remission of the duties that are inscribed in the credit accounts is granted, as follows from the answer to the first question.

Q. 3. The mode in which bounties on exportation are obtained under these systems?—A. The bounty (*primes*) means the sum representing the amount of duty that would be leviable on the surplus produced—

- a. By manufacturers above the 1,500 grammes that serves as the basis for taxation.
- b. By refiners over and above the legitimate produce of 67, 80, 88, and 94 kilog., which serve as the basis for the duties specified in the answer to the first question.

The result is, that the higher the duty the higher the bounty.

Bounties are of necessity always a loss to the Treasury.

A distinction, however, must be drawn, according as the sugar is destined for home consumption or for exportation.

In the former case the bounty has the same effect as lowering the rate of duty. In the latter its consequences may be much more serious, for it is obvious that if the amount of exportation were such that the manufacturers could produce a surplus sufficient to supply the home consumption, the Treasury would receive nothing, as the whole duties levied in the current accounts would be settled by *décharge* (remission of duty).

It is expressly to prevent this that the law actually in force prescribes, in the event of the minimum of income no longer being attainable, the rate of *décharge* shall be curtailed. This is equivalent to raising the return to Government, and lowers the bounty.

Q. 4. Any reliable information which can be given as to the amount of such bounties?—

A. This is a point wrapped in obscurity. Sir H. Barron, in his last report, hazarded a conjecture, supported by various considerations, on the amount for one particular year. That amount, viz., 169,640 l. for 1876, being an original estimate of his own, can only be taken as approximatively correct for that particular year, and by no means as representing an accurate or even an average figure. Sir H. Barron arrives at these figures by assuming that, if the price of sugar for home consumption is, say, 75 fr., and that for exportation, say, 72 fr., the difference in price, viz., 3 fr., is the amount of the bounty. I beg leave to dissent from this conclusion. The difference in price proves most indubitably that a bounty does

* I. e., the amount of duty remitted is reduced to that extent.

does exist, and that, I submit, is all. I have endeavoured to show in my answer to Question No. 3 that the real bounty consists in the surplus production over and above the Government calculation for taxation, and it is very evident that no calculation of the real amount of bounty obtained can be made as long as the exact production of factories and refineries remains an unknown quantity, and unknown it will remain until the Chambers empower the Government to inspect the books of those interested in the trade.

It is possible that the surplus production might disappear for the greater part if the basis for taxation in factories was raised from 1,500 to 1,600 grammes. This addition of 100 grammes corresponds to $\frac{1}{12}$ th of the present basis, and would amount to something like 5,000,000 kilog., paying 2,250,000 fr. duty. No calculation differing much from this figure can be depended on.

As to the bounty accorded to the Belgian refiners according to produce, it was fixed at Cologne, and it is of no great interest.

It is notorious that sugars belonging to the second class do, more than any others, yield surpluses when refined. These sugars are, however, only very exceptionally used in Belgium.

Very small advantages indeed must have been derived by Belgian refiners from the surpluses they obtain, judging from the fact that, for the last 15 years, sugar refining has steadily diminished in Belgium.

Q. 5. Alterations of the law and practice in recent years?—A. The law actually in force in Belgium has not been modified since the 1864 Convention expired.

In practice, the Government unceasingly endeavours to perfect the precautionary measures intended to defeat fraud.

Q. 6. System in force for testing sugars and preventing frauds?—A. Assay of imported and exported sugars is made by coloured standards similar to those adopted at the Convention. It must be remarked that fraud in the colour would consist in the importer presenting to the Customs dyed sugars. One fraud of this kind was tried in 1877; it was immediately detected, and the Board has no reason to believe that it has been ever tried again.

As to exported sugars, no better guarantee could be desired than the numerous saccharimetric assays made on all such sugars declared.

(signed) *W. Graham Sandford.*

Brussels, 7 May 1879.

No. 2.

Sir H. Elliot to the Marquis of Salisbury.—(Received 13 May.)

My Lord,

Vienna, 9 May 1879.

I HAVE the honour to enclose a report by Mr. Jerningham, giving the information called for by your Lordship's Circular Despatch of the 24th ultimo, upon the system prevailing in Austria-Hungary with regard to the taxation of sugar and the drawback allowed on its exportation.

The question is becoming very difficult to deal with, for while, on the one hand, it is complained that the drawbacks have had the effect of practically freeing from taxation all the sugar consumed in the country at a loss to the revenue of about 5,000,000 florins, the sugar industry has been so greatly developed, and such an amount of capital has been invested in it, as to require to be treated with consideration.

Mr. Jerningham points out that though the temporary law will have the effect, to a certain extent, of securing a revenue, the refiners, by a large increase of production, will still be able to get a bounty, rather than a mere drawback, upon their exportation.

I have, &c.

(signed) *Henry Elliot.*

Enclosure in No. 2.

Mr. Jerningham to Sir H. Elliot.

Sir,

Vienna, 9 May 1879.

IN obedience to your Excellency's instructions that I should report as briefly as is consistent with the subject upon the sugar industry in Austria-Hungary for the use of, and in the manner specially desired by, the Select Committee appointed to inquire into the effects of Continental systems of taxation, drawbacks, and bounties on sugar upon the home and Colonial sugar industries, I have the honour to preface the following remarks by the general statement that the drawbacks allowed hitherto, instead of remaining that which they were intended, viz., a true return of the direct Excise duties, have in reality proved bounties to

Appendix. No. 2.

the manufacturers, and that the history of sugar taxation is that of the struggle on the part of the Government to obtain a sound basis of assessment which they have not even yet secured.

As you are aware, the refiners enjoyed from the beginning a very great advantage in the lower duty imposed on the raw sugar imported, and which in a few years not only destroyed altogether the importation of raw sugar for refining, but practically destroyed that also of sugars imported for consumption.

As the importation, however, diminished, the exportation began to increase, and though the causes which produced this result were independent of each other, still it is beyond a doubt that in both cases the stimulus given to the manufacture and refining of sugar by the State was the primary cause of the success against which that same State has now to battle.

About the year 1860 the home producer had evidently won the day against the foreign importer, and in that year the system of drawbacks was instituted: evidently, and indeed avowedly, as a bounty on exportation, its original name being in fact "export bonus."

From this time to the present the factories have increased in number, the manufacturers have reaped enormous advantages, and the State has at one time, as in the solar year 1875-76, actually paid 135,556 florins more in drawbacks than it received as Excise due.

All the advantages appear to have been enjoyed at once by the manufacturers, for the improvement in the culture of the beet, in the pressing of the juice, in the making of the machinery in use, crowded upon one another, until the manufacturer was actually able to pay Excise duty on the weight only of the roots he employed, while his improved plant and machinery enabled him to produce twice as much sugar from the same weighed quantity, and reap actually 100 per cent. profit in addition to the full amount of his drawbacks.

Such a state of things could not but seriously engage the attention of the State and oblige it to remedy, if possible, the faulty perception of a non-properly assessed tax.

In 1877 there existed in Austria-Hungary the following sugar factories as compared with the years 1862-63:—

	1862-63.	1876-77.
Factories worked by presses - - - - -	132	54
" " centrifugal apparatus - - - - -	4	1
" " maceration - - - - -	3	—
" " diffusion vessels - - - - -	-	176
TOTAL - - -	139	231

The revenue amounted to—

	1863.	1877.
	<i>Florins.</i>	<i>Florins.</i>
Excise - - - - -	6,989,724	10,870,823
Duty on sugar imported - - - - -	571,351	5,364
TOTAL - - -	7,561,075	10,876,187
Deduct drawbacks - - - - -	42	10,479,973
NET REVENUE - - -	7,561,033	396,214

This telling Table shows not only the truth of the remarks which I have ventured to make previously to giving it, but likewise points to the important increase obtained in the Excise, without any proportion, however, to the increased expenditure on drawbacks, rendering thereby the sugar for consumption an actual item of expenditure for the Empire, and proving that the flourishing state of the factories, being, as they are, supported by a premium on export, is rather artificial than actually sound.

This result was principally brought about by the Law of the 18th October 1865; which replaced the taxation of the weight of beetroots by that of the efficiency of the apparatus employed during a given time.

In 1865, however, the juice of the beet was mostly got by presses for which a legal scale had been drawn, while a special paragraph stipulated that, for new modes of extracting the juice, particular agreements were to be concluded with the Customs and Excise authorities.

The presses were soon replaced by the diffusion vessels, and these became so prevalent that experiments were made to find a proportion between the quantity of space of the diffusion vessels and that of the beetroots employed, and the result was taken as a basis for a new assessment.

Technical improvements, however, enabled manufacturers to diminish the space of their diffusion

diffusion vessels, though not the quantity of the beetroots they employed, and thereby saved in the Excise duty they had to pay, whilst the drawbacks on exportation were naturally granted to them on the full weight of the sugar exported.

The Government were compelled, in presence of such fraudulent attempts, to raise the scale of efficiency, but never succeeded in improving the revenue receipts in competition with mechanical progress.

A Bill was passed in April 1877, enabling the Government to keep up for two more solar years the system of rating the diffusion vessels on an average, at higher figures of efficiency, and substituting for the same period a higher scale for factories worked by presses, but the second paragraph of the law showed the intention of Government to alter the whole system in use, if necessary, in the course of the following year.

Impatient of change, however, the Government brought in a Bill on the 11th September 1877, the fundamental principle of which consists in securing to the Public Treasury a fixed revenue, while retaining the present mode of averaging the Excise, and it became law in June 1878.

The revenue for the year 1878-79 is to amount to 6,000,000 florins, and to increase yearly by 500,000 florins until it has reached the sum of 10,500,000 florins, at which figure the revenue is to remain stationary until a new law comes to alter its character.

You will see by these several enactments how difficult is the solution of the question how to tax sugar produce in this country, while the very progress and success on the part of the industry itself raises the question whether it would not be better at the present stage to decrease the amount of drawback granted on export, if not, indeed, eventually to abolish so ruinous a premium.

Both the Lower and Upper Houses of the Reichsrath in Committee on the Bill agreed with the Government that "the sugar manufacture of the Empire must be brought back by degrees to a sound basis," and voted the Bill as a "measure of necessity for a period of transition."

I annex a translation of the law, but the preceding remarks will have satisfied you of its main features, and I have only to add that the net revenue, as it is understood in the Bill, is the amount of the Excise after deduction of cost of collection, plus the duty received on imported raw and refined sugar, and minus the sums expended in drawbacks.

Should the net revenue stipulated not be obtained, the deficiency is to be made up by the sugar factories, who shall be taxed on an average, according to the proportion of the Excise they have paid; but should a surplus occur, it will be employed in partly or wholly covering the deficiency of the immediately preceding period.

Each proprietor of a factory is bound to show security for eventual arrears in the revenue to the amount of 15 per cent. on the Excise due by him for 120 working days.

It is a question how far these regulations will succeed, and the Government appear to have acted wisely in considering them as provisional.

I annex a Table showing the number of factories in working in the Austro-Hungarian Empire since the year 1851, and a comparative statement of the tax levied on beetroots, of the duty received on imported sugar, and of the drawbacks granted since the year 1860.

It will be remarked that throughout these years the drawback was equivalent in sterling to about 8 s. on raw and 9 s. 10 d. on refined sugar per 120 lbs., while by the present law it is about 16 s. and 19 s. 10 d. per 220 lbs., for sugar respectively below 99 $\frac{1}{100}$ to at least 92 per cent. polarisation, and of at least 99 $\frac{1}{100}$ polarisation, and that no drawback is allowed on any quantity under 500 kilogrammes.*

The Customs authorities and Financial Commissioners have authority to test the quality of every sugar which is exported, to establish themselves in the factories for the purpose of supervision, and to inspect the books of each factory at their will; and any fraud discovered, whether in the degree of the declared sugar for exportation, or in its quantity, is punished either with a fine of between four and eight times the amount claimed as drawback, or with confiscation.

Without entering in this Report into the many considerations which it presents, I think it useful, however, to point out that the provisional law, such as the one to be enforced for the next ten years, is very similar to that which in Belgium, for instance, while it provides the Government with its stipulated revenue of 6,000,000 fr., allows the manufacturers to produce an increased quantity, part of which must, if the total exceeds the Government requirements, become an actual fraud upon the public revenue.

If carefully weighed, the law, as it stands, is only a third incentive towards increased production, without being actually a gain to the Treasury.

The next few years will show whether it is not doomed to the same fate as the Belgian law.

The facilities for testing both the quantity and quality of the sugar manufactured and in preparation, while they show a real desire to prevent any possible fraud, and, if rigorously taken advantage of, may actually prevent any, are also such as to engender in a way a communion of interests between producer and overseer if so minded, and the penalties occasionally incurred may be covered by the increased exportation of legitimate sugar exportations.

In

* £. 1 is taken at the average value of 11 florins.

Appendix, No. 2.

In conclusion, your Excellency will perhaps agree with me in the opinion that throughout the history of the sugar industry in this Empire the encouragement afforded by the measures of the Government has proved so effectual in shutting out foreign competition, that it cannot be wondered at if thinking statesmen, in the interests of their country, and not of a class only of their fellow-subjects, are seriously beginning to reflect here on the advantages of granting no more drawbacks.

I have purposely abstained from going into the details of the Excise, as the consumption within the Empire of the sugar manufactured in it has not much varied within the last 10 years, while the disadvantages of drawbacks constitute now the principal preoccupation of those who grant it in the name and interest of the country.

I have founded all the facts mentioned in this short Report upon that of the Committee of both the Lower and Upper Houses of the Reichsrath in 1877, and on the very valuable essay on the subject of Mr. Harris Gastrell, in 1876.

I have, &c.
(signed) Hubert E. H. Jerningham.

TABLE (No. 1) showing the Amount of EXPORT and IMPORT of RAW and REFINED SUGAR since the Year 1855.

YEAR.	Import.	Export.	Difference in the Imports.
	Centners.*	Centners.	Centners.
1855 - - - - -	413,075	53	+ 413,022
1856 - - - - -	394,865	97	+ 394,268
1857 - - - - -	262,223	185	+ 262,088
1858 - - - - -	273,732	172	+ 273,560
1859 - - - - -	99,398	437	+ 98,961
1860† - - - - -	34,035	7,048	+ 26,987
1861 - - - - -	38,133	4,808	+ 33,325
1862 - - - - -	97,369	769	+ 96,600
1863 - - - - -	57,507	1,337	+ 56,170
1864‡ - - - - -	19,721	43,468	— 23,747
1865 - - - - -	16,043	236,995	— 220,952
1866 - - - - -	11,203	154,934	— 143,731
1867 - - - - -	12,357	299,039	— 286,682
1868 - - - - -	14,147	105,316	— 91,169
1869 - - - - -	29,270	234,971	— 205,701
1870 - - - - -	10,811	655,562	— 644,751
1871 - - - - -	13,457	921,194	— 907,737
1872 - - - - -	15,123	623,324	— 608,201
1873 - - - - -	17,661	870,863	— 853,202
1874 - - - - -	15,260	631,635	— 616,375
1875 - - - - -	14,631	825,903	— 811,275
1876 - - - - -	13,775	1,265,561	— 1,251,786
1877 - - - - -	13,073	1,446,563	— 1,433,490

LAW of 27 June 1878,§ concerning the TAXATION of BEETROOT SUGAR, valid for the Kingdoms and Countries represented in the Reichsrath, with exception of *Dalmatia*, and of the Customs exemptions of *Istria*, *Trieste*, and *Brody*.

(Translation.)

WITH consent of both Houses of the Reichsrath I think fit to ordain as follows:—

Rates of the Consumption Duty.

Section 1. The present rates of the consumption duty on beetroot sugar manufacture remain unaltered. (Law of the 18th May 1875, Reichs-Gesetz-Blatt, No. 84.)||

Modes

* A centner is equal to 50 kilogrammes, or 110½ lbs., the kilogramme being equal to 2·2067 lbs.
† Year in which the export bonus was first granted.
‡ Year in which the drawback was raised.
§ Reichs-Gesetz-Blatt, 1878, No. 71.—XXVIII. Stück. Published 28 June 1878.
|| The rates of the consumption tax on beetroot sugar manufacture are 73 kreutzers for every 100 kilogrammes of fresh beetroots, and five times this rate for every 100 kilogrammes of dried beetroots.

Modes of Adjusting and Levying the Consumption Duty.

Appendix, No. 2.

Section 2. (1.) Commencing from the 1st August 1878, and repealing the Ordinance of the 18th October 1865 (Reichs-Gesetz-Blatt, No. 105), this consumption duty will be reckoned in those beetroot sugar manufactories which employ hydraulic presses or diffusion vessels, connected with so-called batteries, for extracting juice, exclusively by way of composition ("pauschalirung"), according to the productive power and working time of these juice-extracting apparatuses.

If other juice-extracting apparatuses are employed in the manufacture of beetroot sugar, then in those beetroot sugar manufactories which use them the quantity of beetroot to be taxed will be ascertained by direct weighing of the beetroots until the standards of the productive power can be safely fixed on the basis of experience.

(2.) The standards of the daily productive power of the juice-extracting apparatuses will be so regulated, after consultation with experienced sugar manufacturers by way of order in concurrence with the Royal Hungarian Minister of Finance, that in the joint Austro-Hungarian Customs jurisdiction the net proceeds from the consumption duty on the beetroot sugar manufacture and from the import duty on raw and refined sugar shall amount to the following sums, viz. :—

For the working period 1878-79, 6,000,000 florins, and for each of the following working periods an increase of 500,000 florins.

If, in this manner, the amount of the net proceeds reaches 10,500,000 florins, a further arrangement will be made by legal enactment.

No augmentation of the standards of the daily productive power of the juice-extracting apparatuses for the attainment of an increase in the net yield is to take place if during the current working period from time to time it may already be anticipated that the net yield expected for the next working period will be obtained.

This, however, does not exclude a necessary regulation of these standards for the next working period for the purpose of uniformity in the taxation of the juice-extracting apparatuses.

The working period is understood to mean the space of time from the 1st August in one year to the last of July in the next following year. The net proceeds of the sugar taxation are ascertained by taking the sum which the prescribed amounts yield in the joint Austro-Hungarian Customs jurisdiction in the respective working period, as Excise duty on the beetroot sugar manufacture after deduction of the proper abatements for interruptions in the work and for returns of duty, adding thereto the import duty charged on the raw and refined sugar imported during the same working period, and deducting from the result the sum of the returns of duty claimed on the exportation of sugar that has taken place in the same working period under reservation of these returns.

(3.) If the regular taxation of sugar should not in any working period amount to the anticipated net proceeds, then the proprietors of the beetroot sugar manufactories under tax composition have to make up the deficiency for that working period, in such wise that each of them makes an after-payment to the State Exchequer of just so much per cent. of his average of the Excise duty for this working period properly adjusted by deduction of the abatements or drawbacks for interruptions of work as the deficiency amounts to per cent. on the whole of the composition amounts as adjusted after deduction of the abatements or drawbacks for interruptions of work. The after-payment is not due in less than a month from the official intimation.

If, however, there has been a surplus over the anticipated net proceeds in the working period immediately preceding the working period for which a deficiency is to be made up, then that surplus will be reckoned in for the partial or, may be, full supply of the deficiency.

Every proprietor of a beetroot sugar manufactory under tax composition has, before the opening of the working period, to give satisfactory security for the eventual after-payment, to the amount of a per-centage to be officially fixed, on the averaged sum due from his manufactory for 120 working days.

Regulations respecting the Composition Arrangement for the Consumption Duty.

Section 3. In the adjustment of the consumption duty on the beetroot sugar manufacture by way of composition, the regulations concerning such arrangements contained in the Decree of the Finance Ministry of the 7th September 1850 (Reichs-Gesetz-Blatt, 1850, No. 344), as well as those appertaining to the subject in the Finance Ministry's Decree of the 28th November 1849 (Reichs-Gesetz-Blatt, 1849, No. 27), in so far as they are not repealed by the former Decree, are to be applied with the following alterations :—

(1.) For every working period the standards of the daily productive power of the juice-extracting apparatuses that come under the composition system will be declared at latest by the 1st June before the working period.

(2.) During the yearly working time (composition period) the juice-extracting apparatuses must neither be altered nor be used in any other way than that notified, nor must others be used than those notified, nor new apparatuses of the same kind be set up, except in case of renewal of a damaged apparatus by one of the like productive power, nature, and size, which must be previously notified and approved.

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Any infringement of this prohibition will be punished by a fine of 100 gulden to 2,000 gulden.

Moreover, the punishment for serious revenue transgression comes into operation if the productive power in the extraction of juice be augmented by the alteration that has been made.

In these cases that amount will be taken as defraudation of tax, which is concurrent with the augmentation of productive power for so long as that augmentation existed, but for not less than 24 hours. If the period cannot be ascertained with certainty, the part of the working time that has already elapsed is to be taken as the basis for ascertaining the defraudation of tax.

The augmentation of the productive power will be brought into account in adjusting the composition arrangement from the day of the infringement of the prohibition for the still remaining portion of the working time; but if that day cannot be ascertained with certainty, for the whole of the working time.

(3.) In the notification of working, only Sundays and other recognised holidays are to be excluded from the working time, and thereby from the taxation.

At the Christmas holidays, however, the exclusion may extend to a period of 14 consecutive days, including those holidays.

If the working at the beginning of the manufacturing period is not begun on the first day of the month, or at the end thereof is not finished with the last day of the month, then the tax composition in these two months is to be adjusted according to the amount which corresponds with the part of both these months devoted to the working.

The working day is understood to be from six o'clock in the morning of one day to six o'clock in the morning again of the next following day.

So that, for example, if the notification of working mentions the exclusion of a Sunday from the working, the time from six o'clock in the morning on Sunday to six o'clock in the morning on Monday is excepted from the working.

In ascertaining the quantity of beetroots that is to be taxed according to the productive power of the juice-extracting apparatuses, fractions of a notified working day will be accounted as a whole working day.

(4.) A limitation of the working during the manufacturing period gives no claim for a reduction of the quantity of beetroots to be taxed.

If, however, the application of the juice-extracting apparatuses has to be wholly discontinued, in consequence of an unavoidable obstacle, for 24 or more consecutive hours of the notified working time, then the drawback or deduction of that amount of tax which corresponds with the interruption of the working according to the notification, omitting fractions of an hour, will be allowed on condition that the manager of the factory gives written notice of the obstruction of the working immediately after it occurs, and of the resumption of the juice extraction at least six hours beforehand, to the finance officer, who has the direct supervision of the factory, in two copies, and to the financial authority of first instance, in one copy; but if there be telegraphic communication between the seat of that authority and the locality of the factory, the notice is to be given by telegraph also.

One copy of the written notice will be returned to the manager of the factory by the aforesaid financial officer, with the official statement of the day and hour of its receipt. For the tax drawback or deduction, the duration of the suspension from working will be reckoned from the duly ascertained time when the juice-extracting apparatuses were entirely emptied to the time when the rasping of the roots begins.

With regard to the first-mentioned time, it will be taken as at most so long before the delivery of the notice of the obstruction of work as a swift messenger would take to go the distance from the factory to the office of the aforesaid financial officer.

Regulations concerning the Adjustment of the Consumption Tax by direct Weighing of the Roots.

Section 4. With reference to beetroot sugar factories, wherein, according to § 2, section 1, paragraph 2, the quantity of roots to be taxed is ascertained by weighing the roots themselves, the regulations concerning this mode of assessment contained in the Finance Ministry's Decree of the 7th of September 1850 (Reichs-Gesetz-Blatt, 1850, No. 344), and also those on this subject contained in the Finance Ministry's Decree of the 28th November 1849 (Reichs-Gesetz-Blatt, 1849, No. 27), not repealed by the first-mentioned Decree, are to be observed, with the following alterations:—

(1.) The factory owner is bound, on the requisition of the financial authority of the first instance, to provide for the financial officers charged with the immediate supervision of the factory, a dwelling-place, consisting of at least two rooms, that can be heated with kitchen and other necessary appurtenances, such as wood store, &c., either in the factory itself, or in a building belonging to or near it, and also a suitable place in the factory building for an office, with the necessary table, chairs, &c.

The rent for the dwelling-place and the office is to be arranged between the Finance Administration and the factory owner; but if this cannot be done, the rent shall be fixed by the political authority of first instance.

(2.) When

(2.) When the roots are to be weighed, not less than three metric centners are to be brought to the scale at once.

(3.) No allowance from the ascertained weight is to be made for roots which are brought to the scale in an unwashed state.

(4.) If, in any factory during the course of a month, a lesser quantity of roots is worked up than was announced, then the overplus written down or counted or covered by tax note will be written off or allowed as drawback.

(5.) The finance authority of first instance has a right by its delegates to inspect the trade books of the factory, whether kept in the factory or elsewhere, and to make extracts from them concerning the supply and conversion of the materials and appliances for manufacture, as well as concerning the produce and sale of the sugar.

When the Consumption Duty on Inland Beetroot Sugar falls due and Term of Credit.

Section 5. The consumption duty on the manufacture of beetroot sugar is due as soon as the notice of working is delivered.

Those proprietors of beetroot sugar factories who give proper security in accordance with the regulations in this behalf, will be allowed to pay the duty within six months at latest from the time it was due.

If the payment be not made within that term, the consequences prescribed in the aforesaid regulations will be incurred.

The enactments respecting acceptances for amounts of consumption duty on sugar, for which credit is taken, remain unaltered.

Personal Liability and Security in respect to the Payment of this Duty.

Section 6. The proprietor of the beetroot sugar factory is bound to pay this duty.

But if the proprietor does not conduct the works himself, the working manager is liable for the dues levied on account of defraudation of revenue under the immediate responsibility of the proprietor.

Responsibility for any Taxable Proceedings not announced in or at variance with the Notification.

Section 7. If anything liable to taxation, not announced in, or deviating from, the notification, is done in a beetroot sugar factory during the absence of the manager from such factory, it will be considered as done by him.

Liability of the Factory Proprietor for Fines.

Section 8. The proprietor of the beetroot sugar factory is unconditionally liable for the fines inflicted for transgressions of the regulations concerning the consumption duty on the manufacture of beetroot sugar, even though he be not adjudged to have incurred them himself.

Fines for violation of the official lock-up are excepted from this.

Exportation of Sugar with Return of Tax.—(a) Extent of the Return.

Section 9. From the 1st August 1878, on the exportation of colonial or beetroot sugar over the customs line in quantities of 500 kilogrammes at least, a return of the customs and consumption tax will be allowed by means of notes due in six months, reckoned from the day of the exportation, for every 100 kilogrammes.

(a.) For sugar below $99\frac{5}{10}$ to at least 92 per cent. polarization, 9 fl. 10 kr.

(b.) For sugar of at least $99\frac{5}{10}$ polarization, 11 fl. 18 kr.

The Finance Minister appoints the customs offices which are to undertake the business connected with the passing out of the sugar declared for export with a claim for return of the customs duty and consumption tax.

(b) Imposition of Penalties.

Section 10. The penalty for serious transgression against the revenue is to be imposed:—

(1.) If in an export declaration claiming return of the tax the quantity of the sugar is stated at 5 per cent. more than it is found to be on official examination; or,

(2.) If in such an export declaration the return of the tax is claimed for a higher class than that to which the sugar to be exported really belongs; or,

0.104.

x x 3

(3.) If

Appendix, No. 2.

(3.) If the sugar for which the return is claimed is not of that quality for which the return of the tax is allowed, or if some article other than sugar is discovered. The penalty is to be reckoned at from four to eight times the amount claimed as return of tax in case (1) for difference in the quantity of sugar, in case (2) for excess of amount, and case (3) for the whole.

Moreover, the sugar improperly declared is confiscated, if such sugar, with intent to defraud the Exchequer, is packed between sugar for which a return or a higher return is allowed, or an allowance for the customs and consumption tax is made.

If the result of the official examination is lower than 92 per cent. respectively, 99 $\frac{1}{10}$ per cent. polarization, and if the difference exceeds $\frac{1}{10}$ per cent., then the return of the customs and consumption tax is refused, or respectively the higher rate thereof; if the difference exceeds 1 per cent., then, besides such refusal, the penalty is imposed.

Mitigation of Penalty.

Section 11. The fines which are to be imposed for transgressions of the Ordinances concerning the consumption duty on beetroot sugar, or, in accordance with the foregoing Section 10, must never be reduced below the lesser amount legally fixed, not even if the regular penal procedure be abandoned.

Executive Clause.

Section 12. The Minister of Finance is charged with the execution of the present law.

(signed) *Francis Joseph.
Pretis.
Auersperg.*

Vienna, 27 June 1878.

DECREE of the Ministry of Finance, dated 28th June 1878, concerning the Standards of the Daily Productive Power of the Juice Pre-ses and of the Diffusion Vessels connected with Batteries to be applied for the Composition Arrangement of the BEETROOT SUGAR TAX in the working Period, 1878-79; also, concerning the Rate of Security to be given by the Proprietors of Beetroot Sugar Factories under such Composition for any eventual after-payment of the SUGAR TAX.

(Translation.)

WITH the concurrence of the Royal Hungarian Ministry of Finance, and in accordance with Section 2 of the law of the 27th June 1878 concerning the taxation of beetroot sugar (Reichs-Gesetz-Blatt, No. 71), it has been ordered with reference to the standards of the daily productive power of the beetroot juice presses, and of the diffusion vessels connected with batteries, upon which the tax is to be assessed, as also with reference to the rate of security to be given by the proprietors of beetroot sugar factories under tax composition, for any eventual after-payment of the sugar tax, as follows:—

(A.)—*Standards of the Productive Power of the Diffusion Vessels connected with Batteries upon which the Tax is to be assessed.*

1. The productive power upon which the tax is to be assessed for diffusion vessels connected with batteries in beetroot sugar factories, is ascertained according to the following measures:—

1. Where diffusion batteries consist of at least nine and at most of 11 diffusion vessels each, 1,100 kilogrammes of fresh roots will be apportioned for every day (24 hours), and for every hectolitre of their full aggregate capacity, as ascertained by filling with water.

2. Where diffusion batteries consist of less than nine diffusion vessels, the productive power is adjusted according to the foregoing rule, in the same way as if the battery were composed of nine diffusion vessels of the same average capacity as those at hand. If, for instance, a battery consist of eight diffusion vessels, with the average capacity of 22·25 hectolitres, then the quantity of 1,100 kilogrammes of fresh roots per day and per hectolitre, is to be assigned to a capacity of 22·25 by 9 = 200·25 hectolitres.

3. Where diffusion batteries consist of more than eleven diffusion vessels, every remainder resulting from the division of the number of diffusion vessels at hand by nine, is to be treated as a battery composed of less than nine diffusion vessels (2).

(B.)—*Standard of the Daily Productive Power of the Beetroot Juice Presses on which the Tax is to be assessed.*

1. The daily productive power of the beetroot juice presses, which is to be taxed, will be adjusted according to the weight of beetroot pulp corresponding with every charge of the press, and with the number of the daily compressions.

II. The

II. The computation of the press charge is to be based on the height of the press or of the charge, and the length and breadth of the pressing plates, or when wickerwork is used for pressing the area of the press between the guide rods, after deducting 5 centimetres from both length and breadth, and then 1,790 cubic centimetres are to be taken as equivalent to a kilogramme of beetroot pulp.

III. The number of daily compressions is determined :—

1. In case of hydraulic juice presses worked by steam or water power.

(a.) If every two thereof have only one pump apparatus, are worked alternately and charged in layers, according to the annexed scale.

(b.) According to the same scale, with an addition of 10 per cent. in case of presses whereof each two have only one pump apparatus, are worked alternately and charged all at once.

(c.) According to the same scale, with an addition of 20 per cent. in case of presses whereof each has its own pump apparatus, and is charged in layers.

(d.) According to the same scale, with an addition of 30 per cent. in case of presses whereof each has its own pump apparatus, and is charged all at once.

(e.) In case of presses whereof each two have more than one pump apparatus, or only one pump apparatus, but can be worked simultaneously, according to the same rule as in case of presses whereof each has its own pump apparatus (c) and (d).

Where, according to the Notification of the beetroot sugar factory, the presses are charged in layers, the charging benches must not be moveable; they must also be at least 16 centimetres higher than the press-plate at its lowest position.

Moreover, if the Notification announces charging by layers, no press-plate must have a handle.

2. In case of hydraulic presses, which are worked by hand or by animal force, the number of daily compressions is to be computed at 90 per cent. of the number that would correspond with the foregoing regulations (a) to (e).

IV. If fractional parts of a centimetre occur in measuring the charging height of a press, or in measuring the length or breadth of the pressing plates, or the press area between the guide rods, they are left out of account. Moreover, if the area of the pressing surface, or that of the wicker-work when used, computed according to the above regulation (II.), does not correspond exactly with an area given in square centimetres in the annexed scale, then, in ascertaining the number of the daily compressions, that area is to be taken as the basis which comes nearest to the actual computable area; for example, the superficial measure of 2,115 square centimetres is to be taken if the actual computable area amounts to 2,116 square centimetres.

But if the actual computable superficies of the press-plates or of the press area be equidistant from each of two consecutive areas in the scale, then the number of daily compressions is to be ascertained on the basis of the smaller area.

(C.)—*Rate of the Security to be given for the eventual after-payment of Sugar Tax.*

Every proprietor of a beetroot sugar factory under tax composition has, before the opening of the working period, 1878–79, to give security for 15 per cent. of the composition sum corresponding to 120 working days of his factory. This is in reference to the eventual after-payment which the proprietors of beetroot sugar factories are bound to make in case the net proceeds of the sugar tax in the joint Austro-Hungarian Customs jurisdiction should not reach the anticipated amount of 6,000,000 gulden for the working period, 1878–79.

(signed) *Pretis.*

Appendix, No. 2.

SCALE OF DAILY COMPRESSIONS.

HEIGHT OF CHARGES IN CENTIMETRES.

—	95	94	93	92	91	90	89	88	87	86	85	84	83	82	81	80	79	78	77	76	75	74	73	72	71	70	69	68	67	66	65	64	63	62	61	60	59	58	57	56	55	54	53	52	51	50	49	48	47

NUMBER OF DAILY COMPRESSIONS.

Superficial
Area in
Square
Centimetres.

2,500	135	137	138	140	142	144	145	147	148	150	152	154	155	157	159	160	162	164	165	167	169	170	172	174	175	177	179	181	182	184	185	187	189	191	192	194	196	197	199	201	202	204	206	208	209	211	212	214	216
2,350	137	139	140	142	144	145	147	149	150	152	154	156	157	159	161	162	164	166	167	169	171	172	174	176	177	179	181	183	184	186	188	189	191	193	194	196	198	199	201	203	204	206	208	210	211	213	215	216	218
2,200	140	142	143	145	147	148	150	152	153	155	157	159	160	162	164	165	167	169	170	172	174	175	177	179	180	182	184	186	187	189	191	192	194	196	197	199	201	203	204	206	207	209	211	213	214	216	218	219	221
2,115	142	144	145	147	149	150	152	154	155	157	159	161	162	164	166	167	169	171	173	174	176	177	179	181	182	184	186	188	189	191	193	194	196	198	199	201	203	204	206	208	209	211	213	215	216	218	220	221	223
1,960	144	146	147	149	151	152	154	156	157	159	161	163	164	166	168	169	171	173	174	176	178	179	181	183	184	186	188	190	191	193	195	196	198	200	201	203	205	206	208	210	211	213	215	217	218	220	222	225	
1,848	147	149	150	152	154	155	157	159	160	162	164	166	167	169	171	172	174	176	177	179	181	182	184	186	187	189	191	193	194	196	198	200	201	203	204	206	208	209	211	213	215	216	218	220	222	225	228		
1,704	149	151	152	154	156	157	159	161	162	164	166	168	169	171	173	174	176	178	179	181	183	184	186	188	190	191	193	195	196	198	200	201	203	205	206	208	210	211	213	215	216	218	220	222	225	228	230		
1,638	151	153	154	156	158	159	161	163	164	166	168	170	171	173	175	176	178	180	181	183	185	186	188	190	191	193	195	197	198	200	202	203	205	207	208	210	212	213	215	217	218	220	222	224	226	229	230	233	
1,521	153	155	156	158	160	161	163	165	166	168	170	172	173	175	177	178	180	182	183	185	187	188	190	192	193	195	197	199	200	202	204	205	207	209	210	212	214	215	217	219	220	222	224	226	229	231	233	234	
1,413	156	158	159	161	163	164	166	168	169	171	173	175	176	178	180	181	183	185	186	188	190	191	193	195	196	198	200	202	204	206	208	210	212	213	215	217	218	220	222	225	227	229	230	232	234	235	237		
1,332	158	160	161	163	165	166	168	170	171	173	175	177	178	180	182	183	185	187	188	190	192	193	195	197	198	200	202	204	205	207	209	210	212	214	215	217	219	220	222	224	226	229	231	233	236	237	239		

TABLE No. 2.—(A.) Number of SUGAR FACTORIES.

PERIOD.	Total Number of Sugar Manufactories			Number of Factories in Working			Number of Factories using, for the obtaining of Juice			
	In Austria.	In Hungary.	Aggregate.	In Austria.	In Hungary.	Aggregate.	Of Green Beetroots.			Total Beetroots by Maceration.
							Processes.	Centrifugal Machines.	Diffusion Vessels.	
1851 -	-	-	-	83	12	100	95	-	-	5
1852 -	-	-	-	90	16	106	101	-	-	5
1853 -	-	-	-	100	19	119	114	-	-	5
1854 -	-	-	-	100	22	122	117	-	-	5
1855 -	-	-	-	99	23	120	116	-	-	4
1856 -	-	-	-	102	28	130	127	-	-	3
1857 -	-	-	-	112	28	140	137	-	-	3
1858 -	-	-	-	120	28	148	145	-	-	3
1859 -	-	-	-	129	28	157	154	-	-	3
1860 -	110	28	138	105	19	124	116	-	-	3
1860-61 -	108	24	132	104	21	125	112	6	-	3
1861-62 -	109	22	131	108	22	130	123	4	-	3
1862-63 -	116	23	139	116	25	139	132	4	-	3
1863-64 -	116	20	136	116	20	136	129	4	-	3
1864-65 -	124	20	144	124	20	144	139	3	-	2
1865-66 -	125	22	147	121	19	140	135	3	-	2
1866-67 -	123	22	150	121	18	139	132	3	2	2
1867-68 -	121	21	142	126	21	147	140	3	12	1
1868-69 -	140	22	162	140	22	162	133	3	25	1
1869-70 -	157	29	186	155	26	181	137	3	40	1
1870-71 -	198	26	219	190	25	215	145	3	66	1
1871-72 -	207	24	253	225	26	251	144	3	103	1
1872-73 -	229	23	262	233	24	256	129	3	123	1
1873-74 -	236	21	259	224	20	244	108	3	100	-
1874-75 -	236	20	256	209	17	226	86	2	100	-
1875-76 -	229	20	249	213	18	231	51	1	176	-

TABLE No. 3.—(B.) Statement of the TAX on BEETROOTS, the DUTY for SUGAR Imported, and the DRAWBACKS Granted.

PERIOD.	Number of Sugar Factories.	Taxed Beetroots Worked											Net Revenue of the Income on Sugar, after deducting the Drawbacks.
		In Cisleithania.		In Trans- Cisleithania.	Aggregate.								
		Metric. cts.	Metric. cts.	Metric. cts.	Florins.	Florins.	Florins.	Florins.	Florins.	Florins.	Florins.	Florins.	
1860 -	111	-	-	8,394,066	-	-	-	-	309,543	5,975,538	-	5,975,538	
1861 -	125	-	-	6,018,018	-	-	-	-	310,747	5,622,900	1,387	5,621,522	
1862 -	130	-	-	7,759,317	-	-	-	-	1,201,878	6,439,417	-	6,439,417	
1863 -	139	-	-	9,558,597	-	-	-	-	571,351	7,561,075	48	7,561,033	
1863-64 -	136	-	-	8,392,949	-	-	-	-	247,496	6,311,715	71,289	6,240,426	
1864-65 -	144	-	-	10,971,994	-	-	-	-	32,560	8,055,830	2,016,402	6,039,368	
1865-66 -	140	-	-	8,642,489	-	-	-	-	20,080	6,348,900	744,092	5,604,808	
1866-67 -	139	-	-	11,452,641	-	-	-	-	13,374	8,388,118	2,669,010	5,718,508	
1867-68 -	151	-	-	10,054,386	-	-	-	-	16,010	7,368,276	1,805,117	5,563,159	
1868-69 -	162	6,797,096	1,187,386	7,984,382	4,970,377	831,640	-	-	267,808	6,069,617	77,538	5,992,089	
1869-70 -	181	11,109,926	1,181,234	12,291,160	8,124,134	863,777	-	-	23,866	9,011,797	4,742,147	4,269,650	
1870-71 -	215	13,907,402	2,023,789	15,931,191	10,169,788	1,479,896	-	-	10,056	11,659,740	7,306,053	4,353,687	
1871-72 -	251	12,029,344	1,594,902	13,624,246	8,796,458	1,166,272	-	-	14,482	9,977,212	5,817,097	4,160,115	
1872-73 -	256	15,930,936	1,402,353	17,333,189	11,649,497	1,025,397	-	-	23,032	12,697,938	6,410,106	6,287,820	
1873-74 -	244	12,789,876	984,003	13,773,879	9,352,597	719,533	-	-	21,400	10,095,558	7,152,491	2,943,067	
1874-75 -	226	8,794,567	1,038,416	9,832,973	6,431,020	759,341	-	-	10,846	7,201,007	5,456,683	1,742,324	
1875-76 -	231	12,115,786	666,146	12,780,932	8,344,524	485,557	9,330,061	7,354	9,337,435	9,472,991	Deficiency 135,556		

Appendix, No. 2.

No. 3.

Lord *Lyons* to the Marquis of *Salisbury*.—(Received 14th May.)

My Lord,

Paris, 13 May 1879.

I HAVE the honour to transmit to your Lordship herewith a report on the sugar question, which has been drawn up by Mr. Adams, in accordance with the instructions contained in your Lordship's circular despatch of the 24th ultimo.

I have, &c.
(signed) *Lyons*.

Enclosure in No. 3.

REPORT by Mr. *Adams* respecting Taxation of Sugar in France.

UNTIL 1838 native sugar was exempt from all taxation, whilst raw and clayed sugar from the colonies or foreign countries was subject to duties varying from 42 fr. 35 c. to 104 fr. 50 c., according to its place of origin and colour. A duty on colonial sugar imported into France was first imposed in 1822, by a law of the 27th July.

Under the above system the cultivation of beetroot, first encouraged by Napoleon I. as one of many plans conceived to destroy the commerce of England, extended to all parts of France, and its production, which increased annually, threatened the French colonies with a ruinous competition. In order to satisfy colonial and maritime interests, the representations from which tended to the complete prohibition of the making of beetroot sugar, the law of the 18th July 1837 imposed, from the 1st July 1838, on native sugars of the highest standard, a tax of 10 francs per 100 kilogrammes, to be raised to 15 francs on the 1st July 1839; this tax was again raised to 25 francs per 100 kilogrammes by the law of the 3rd July 1840. The almost immediate consequence of this legislation was the closing of a great number of factories.

The duty on colonial sugar was lowered in 1839, and again raised in 1840.

From 1843 the duty on native sugar was gradually raised, and in 1847 the duties on French colonial and native sugars were equalised. It may be here remarked that, in order to favour the refining industry of France, the importation of refined sugar is by the general tariff prohibited from all countries with which France has not concluded commercial conventions.

As the duty on native sugar was thus gradually raised till it became assimilated to that on colonial sugar, the factories in France were concentrated in a small number of departments in the north, where the production increased rapidly. The number of factories at work in 1838-39 were 547 in 51 departments, with a production of 39,000,000 kilogrammes; in 1843-44 there were 325 in 22 departments, with a production of 29,000,000 kilogrammes; in 1844-45 there were 294 in 19 departments, with a production of 36,000,000 kilogrammes; and in 1847-48 there were 308 in 17 departments, with a production of 64,000,000 kilogrammes.

In 1851 a change was made in the mode of assessing the duties on sugar. From 1840 the system in force (of the *prise en charge*) had been the method of checking with excise supervision, which still exists in Belgium, and under it the duty was calculated on the basis of 1,200 grammes per hectolitre of juice. The National Assembly, however, by a law of the 13th June 1851, enacted that the practice which had existed of assessing the duties according to colour should no longer prevail, but that the duties should be assessed according to the saccharine richness of the sugars, to be ascertained by means of saccharimetry. It may be noticed that by article 3 of this law it was further prescribed that there should be refining in bond ("les raffineries seront soumises à l'exercice"). A rebate of six francs per 100 kilogrammes was granted for four years to colonial sugars.

This system, however, was never, it appears, put into force. On the 27th March 1852, the "colour" criterion was again adopted, and refining in bond was abolished.

In 1855, after the Crimean War, a slight increase took place in the duties on native sugars owing to the addition of the double war "décime," but by the law of the 23rd May 1860, the duties on colonial and native sugars were again equalised and were reduced in amount. The factories were allowed to adopt the "contract" system, the *prise en charge* being fixed at 1,425 grammes per hectolitre of juice.

By the laws of the 2nd July 1862, and the 7th May 1864, the duties were considerably increased. (*Vide Table A., infra.*)

On the 8th November 1864, an international convention was signed between Great Britain, France, Belgium, and Holland. Its main object was to suppress the system of bounties, and with this view the colour of the sugars was adopted as the criterion of their saccharine richness, and, for the purposes of assessment, sugars were divided into a number of classes, based on the Dutch system of standard numbers.

It should be mentioned that the precise yield of the different classes of sugar, when refined, was not definitively settled in the negotiation of the convention, and that it was provided that practical experiments should be made after the exchange of ratifications, in order to determine the real yields. These experiments were made at Cologne in 1866, and a declaration was signed at Paris on the 20th November 1866, which substituted the yields as determined by these experiments for the provisional arrangement made in the convention.

This arrangement was not fully carried out by France.

The

The convention of 1864 did not attain its object. It expired, in fact, in 1875, and the negotiations for a fresh convention have never yet led to any practical result. Appendix, No. 2.

To assist in meeting the expenses of the war of 1870 new duties were imposed in France, and those on sugar of every origin established in 1864 were raised by $\frac{1}{10}$. (Laws of the 8th and 11th July 1871.)

By the laws of the 22nd January 1872, and the 30th December 1873, the duties were again raised. (*Vide* Table A., *infra*.)

In 1874 the National Assembly, after a long discussion, passed a law containing an article which enacted that manufacturing in bond, already in operation in all the French beetroot sugar factories, should be extended to the refineries from the 1st July 1875.*

The year 1875 was marked by fresh legislation.

The classification of raw sugars had previously been mainly based upon colour, and was regulated by official standards. But it was found that the refiners had begun to employ saccharimetry as the test of the richness of the different raw products which they purchased. The manufacturers followed suit, and the system became general. There was, indeed, a great abuse which had to be stopped by the State, that of fictitious colouring. Whilst private industry was estimating the richness of the products scientifically, the State continued to estimate it by colour; hence the idea arose of submitting sugars for tariffication, which, by means of a low colour ingeniously obtained, and only paying in proportion, really contained the richness of the highest colours. It is stated that millions of francs were made out of this operation.

In order to stop this abuse, the legislation of 1875 opposed saccharimetry to saccharimetry, that of the State to that of trade. The "Exposé des Motifs" of the law of the 29th July 1875, states that with the object of more effectually guaranteeing the interests of the Treasury, it was demanded that a legal sanction should be given to a practice which was adopted by the commissaires-experts instituted by the 19th article of the law of the 27th July 1822, who have recourse to saccharimetric proceedings as often as such are required for determining the definitive classification of sugars, whenever there is a doubt as to their real richness.

By the first article of this law of the 29th July 1875, it was declared that refining in bond should not be put in practice before the 1st March 1876; and by the 3rd article, that in cases where the colour of the sugars does not appear to correspond with their effective richness, a legal expertise should be taken, and the commissaires-experts should have recourse to saccharimetry for the definitive classification of the sugars; and that the manufacturer or the importer, on his side, should have the option of declaring the class to which the sugars belong, according to their effective richness, whenever this richness does not correspond with the colour.

On the 11th August 1875, a new sugar convention was signed at Brussels between the four Powers.

The National Assembly again put off the introduction of refining in bond till the 1st May 1876; and by the law of the 30th December 1875, it established an alternative arrangement (Articles 13 to 15) to take effect in case the sugar convention of 1875 should not be ratified.

Owing to the opposition of the second Dutch Chamber, this convention was not ratified. The alternative arrangement consequently became law, and it has continued in force ever since. In virtue thereof the classification of the sugars is now based exclusively on their effective richness, determined by scientific processes, saccharimetric analysis, and the proportion ("dosage") of extraneous matters, such as glucose, salts, water, &c. The law in question fixed for each of them, as well as for the white crystals, the richness to which they correspond, according to the following Table (Paris standards):—

Former Classification.	Richness of the Sugars comprised in each Class. (Law of 30th December 1875. Article 14.)
CONSUMPTION :	
Raw Sugars—	
Below No. 13 - - - - -	Less than 91°.
From No. 13, inclusive, to No. 20, inclusive -	From 91°, inclusive, to 98°, exclusive.
White crystals - - - - -	98° or more.
TEMPORARY ADMISSION :	
Raw Sugars—	
Below No. 7 - - - - -	Less than 76°.
From No. 7, inclusive, to No. 9, inclusive -	From 76°, inclusive, to 85°, exclusive.
" No. 10 " to No. 14 " -	" 85° " to 92° "
" No. 15 " to No. 18 " -	" 92° " to 98° "
Above No. 18 - - - - -	98° or more.
White crystals - - - - -	

The

* The application of this enactment, which still exists, was in fact (as will be seen presently) suspended by subsequent legislation, and it has been adjourned, at all events, until the Brussels Convention has been ratified by all the Signatory Powers.

Appendix, No. 2. The present Tariff divides sugars into three principal classes:—

1. Raw sugars, i.e., unrefined sugars, similar or inferior in colour to No. 20 of the Dutch standard.
2. White crystals, or unrefined sugars above No. 20.
3. Refined sugars.

Raw sugars are divided into two classes when imported for consumption, and into five classes when temporarily admitted.

The duties on sugars are now fixed as follows, in virtue of the law of the 30th December 1875. The numbers are those of the Paris standards:—

	Per 100 Kilogrammes.	
	Fr.	c.
Raw Sugars of every Origin—		
Below No. 13 - - - - -	65	52
From No. 13 to No. 20, inclusive - - - - -	68	64
White crystals above No. 20 - - - - -	70	20
Sugars refined in factories of native sugar - - - - -	73	32

Sugars extracted by different processes from duty-free molasses are taxed at 26 fr. per 100 kilogrammes; those extracted from molasses which are not duty-free are taxed according to their standard, like ordinary sugars.

The glucoses are subjected to a duty of 11 fr. 44 c. per 100 kilogrammes. This species includes all saccharine products not capable of crystallization, whatever be the raw material from which they are extracted, when these products are concentrated at 25 degrees, or exported out of the factory where they have been made.

The duties established for native sugars are applicable to granulated glucoses presenting the appearance of crystallizable sugars.

The sugars imported from countries out of Europe in foreign ships, and the sugars imported from European countries and *entrepôts*, whatever be the mode of transport, are subjected to a surtax of 3 fr. 12 c. per 100 kilogrammes, including décimes.

The Belgian sugars are, by a treaty stipulation, subjected to a surtax of only 2 francs.*

It should be mentioned that by a Decree of the 8th August 1878, a drawback is established for crystallizable sugar existing in this state to the amount of 10 per cent. at least in fruits preserved in sugar, sweetmeats, &c. ("les fruits confits, les confitures, et les bonbons"), exported to foreign countries and French colonies and possessions, including Algeria.

In concluding this part of the subject it may not be out of place to quote there marks, in 1876, of a high French authority:—

"It is not possible in any legislation to meet with a law about which there has been so much controversy, and which is so needlessly complicated, as that respecting sugars. It is shameful to see a country so intelligent as France decreeing and modifying laws from day to day without any profound study. And yet the sugar industry is one of the principal industries of the country; on it depends the wealth of the north, and even of one-fourth of the area of France. From 1864 to 1871 the legislation respecting sugars was but little modified, and the industry was able to develop itself; but for the last four years the confusion and successive changes in the laws have introduced such a perturbation that the sugar industry is now suffering; several works have had to be stopped; agriculture feels the *contre-coup*; it can no longer sell its beetroot; it finds a difficulty in paying its rents. The crisis is general, and all suffer from it."

Bounties and Drawbacks.

The 3rd Article of the Finance Law of the 28th April 1816, says:—

"There shall be granted, a year after the publication of the present law, an export bounty for white refined sugars, in loaves, from two kilogrammes to five kilogrammes, dispatched direct to foreign countries from French manufactories, which have been working over two years. The bounty shall be 90 francs per 100 kilogrammes."

Again, the Customs Law of the 7th July 1820, says:—

"The export bounty of refined cane sugars shall be raised from 90 fr. to 100 fr."

A fixed bounty was thus legally established. There was no question of the "yield." The exporter presented 100 kilogrammes for export, and received 90 francs, which was increased later.

But in the Customs Law of the 22nd July 1822, there appears for the first time, if not the word "yield," at least the thing itself. Article 6 says:—

"In future there shall be granted on the export of refined sugars no other bounty than

* Treaty of Commerce of 1861, which again came into force on the expiration of the Convention of the 8th November 1864, but which should expire at the end of this year.

than the repayment of the duties established upon all the sugars brought by French ships. Appendix, No. 2.

"This bounty shall be regulated according to the proportions of the product which the refineries obtain from the different qualities of sugar.

"The repayment of the above-mentioned duties shall only be made on the production of the receipts of payment which the refiners shall prove to have themselves made at the Custom House."

Here, then, the real drawback appears.

But, by the Law of the 17th May 1826, the bounty was restored, and was fixed by Article 9 at 100 fr. and 120 fr., the presentation of the receipts for duties paid being dispensed with.

The drawback reappears in the Law of the 26th April 1833. It was therein enacted that the duty should be repaid on the basis of a yield of 70 kilogrammes of refined sugar per 100 kilogrammes of raw for the *mélis* or refined of first quality, and of 73 kilogrammes for the *lumps* or refined of second quality.

This system, with slight modifications, continued till 1860.

Hence a direct bounty only existed from 1816 to 1822, and again from 1826 to 1833, at which date a system of yields was established, and the direct bounty being suppressed, that which has since existed has been obtained indirectly.

Now, in order to encourage the growth of native industries and manufactories, the French have established a system of admitting temporarily, free of duty, the raw materials required for those industries, bonds being given by the importers for the exportation within a specified period of a corresponding amount of the manufactured article.

In the case of sugar the amount has, at various times, been fixed by law.

Thus, in 1833, as already stated, each 100 kilogrammes of raw sugar was calculated to produce 70 kilogrammes or 73 kilogrammes of refined sugar, according to the quality.

By the Law of the 23rd May 1860, the yields were raised to 76 kilogrammes and 80 kilogrammes; and by the Law of the 7th May 1864, a graduated scale was instituted from 78 kilogrammes to 84 kilogrammes.

The amounts were, however, acknowledged to be insufficient, and the scale of yields determined by the practical experiments which, in conformity with the decision of the International Conference of 1864, as already mentioned, took place at Cologne in 1866, was adopted in the declaration signed at Paris on the 20th November 1866.

It has been remarked that the object of the Convention of 1864 was to suppress the system of bounties, but the figures at which the yields of the raw sugar were calculated have proved to be too low, and the French refiners have conspired to derive large profits from the system of temporary admissions.

In order to explain how these profits are made, it will be necessary to give a short explanation of the system.

Raw sugars, as has been seen, are divided into classes, and a certain yield of refined sugar is assigned to each class. This, which is called the legal yield, is the average between a minimum and a maximum of saccharimetric richness. For instance, the class of sugars from No. 7 to No. 9 comprises all the sugars from 76 degrees to 85 degrees, and the legal yield of this class is 80 refined per 100 raw. That is, the State allows that 100 kilogrammes of raw sugar of the class in question should yield to the refiner 80 kilogrammes of refined sugar, the rest being counted as waste. Hence, when the refiner exports 80 kilogrammes of refined sugar, the State gives him back the duty he has paid on 100 kilogrammes of raw sugar.

If then, the refiner extracts more than 80 kilogrammes of refined sugar from 100 kilogrammes of raw, he will have, over and above the legal yield, a certain quantity of refined sugar which escapes taxation. This is called the *excédant indemne*, and the refiner can sell it in the home market at a price which includes the amount of leviable duty, which, however, is not in fact paid by him, and thus he will make a clear profit, corresponding with the amount of such duty.

Hence it follows: (1) that it is the refiner's interest that the duty on raw sugar should be as high as possible, inasmuch as the extent of his profit on the *excédants indemnes* is in exact proportion to the rate of that duty; (2) that it is the refiner's interest that the native or Colonial trade should only supply him with inferior sugar, inasmuch as the worse the quality, the lower will be the legal yield, and consequently, the *excédants indemnes* resulting from skilful manipulations may become considerable.

The manufacturers of sugar complain that the refiners also make a profit by applying to the raw sugars a coefficient of *réfaction*, called the coefficient 5, the object of which is to be compensated for the bad effect produced on crystallization by the salts found in the sugars. For one of salt five of sugar are deducted. The manufacturers say that this is a custom based on an inaccurate appreciation, but that the refiners have been able to establish it, because they are absolute masters of the situation.

By sacrificing a portion of the profits which, owing to the present system, can be made by the French refiners, they are, it is contended, enabled to sell their refined sugar at a lower price in London than in Paris.

The regulations respecting the temporary admission of sugars to which allusion has been made are as follows:—

Appendix, No. 2.

Raw sugars, Colonial or foreign, of the standards No. 18 and under, when imported from countries out of Europe, and raw native sugars of the same standards, may be admitted temporarily, free of duty, power being given to the importers to release themselves from their engagements within a period of two months—

Either by the exportation or by the deposit in bond of corresponding quantities of refined sugar in loaf or candy;

Or by the direct exportation of corresponding quantities of pieces (*vergeoises*). (In this case the deposit in bond is not allowed);

Or by the payment in coin (with interest to run from the date of presentation) of the amount of duties on the sugar presented.

The same system is applicable to native sugars above No. 18 (including white crystals), and to cane sugars of the same categories, imported from countries out of Europe; but the engagements can only be cancelled, except where payment is made in coin, by the production of refined sugar in loaf.

The other categories of raw sugar of every origin, as well as the white crystals admissible to duty, may also be declared for temporary admission, but in such cases the payment, within two months, of the duties with interest is obligatory.

The annexed Table (B) shows the changes in the systems of bounties and drawbacks since 1816.

Amount of the Bounty.

The amount of the export bounty has been so variously estimated that it is very difficult to arrive at even an approximate estimate.

During the official inquiry of 1862-63 M. Grandval, a refiner from Marseilles, gave evidence. He estimated the export of refined sugar at 76,000,000 kilogrammes to 100,000,000 kilogrammes imported raw; and if to the former amount 3,000,000 kilogrammes of waste and 11,000,000 kilogrammes of molasses were added, there would remain 10,000,000 kilogrammes which escaped duty.

M. Fould, the then Minister of Finance, estimated the consequent loss to the Trésury at 180,000 £.

In 1875 the export of refined sugar had reached 215,000,000 kilogrammes. If the legal yield had remained the same the loss to the Treasury would have increased from 180,000 £ to over 500,000 £. But this was not so; the legal yield was materially higher. On the other hand, the amount of duty has been considerably raised. At the time spoken of by M. Fould it was 30 francs, in his next Budget it was raised to 42 francs, and now the average amount of this duty, which makes the bounty, is 73 fr. 20 c. It is therefore, perhaps, reasonable to conclude that the two opposing elements compensate each other, and that, in calculating the amount, the basis accepted in 1862 can still be considered to be near the mark.

During the discussion in the National Assembly in 1872, it appears that M. Pouyer-Quertier put the amount of the bounty at 2,400,000 £. per annum at least, which, according to M. Léon Say, would imply, considering the quantity exported at the time referred to, that the refiners had succeeded in extracting 120 kilogrammes to 130 kilogrammes of refined sugar from 100 kilogrammes of raw. In March 1874, however, M. Pouyer-Quertier estimated the amount at 800,000 £.

Again, turning to the inquiry of 1872, it appears that M. Rouget, Inspecteur des Finances, and M. Jérôme, Inspecteur du Service des Sucres, were charged by the Conseil Supérieur to make inquiries of the refiners who had consented to give information on the subject. These two Commissioners, after making certain reserves with respect to the insufficiency of the materials placed at their disposal, gave the amount at 320,000 £, but only on an export of 78,000,000 kilogrammes. If we take the export of 1875, already stated to have been 215,000,000 kilogrammes, the estimate will reach the enormous sum of 882,640 £.

M. Hittorff, an authority who is regarded as favourably inclined towards the refiners, and as, therefore, more likely to under-estimate than to exaggerate the amount of the bounty, puts it at 447,200 £ for 1872, with 143,594,000 kilogrammes of export, and at 507,640 £ for 1873, without mentioning the export, which was, however, 153,000,000 kilogrammes.

In the inquiry of 1872, M. Ozenne, Secrétaire-Général of the Ministry of Commerce, whilst discussing and contesting the estimate of 800,000 £. which was often given at that time, accepted that of 480,000 £.; and, on the other hand, M. Jacquemart, Vice-President of the Central Committee of Sugar Manufacturers, in the sitting of the extra Parliamentary meeting of the 30th November, making a valuation on other bases, gave as his estimate only 344,000 £. And in a pamphlet published in August 1878, M. Jacquemart's estimate appears then to be nearly 440,000 £.

Mr. Martineau, on a review of the last statements of the sugar manufacturers, seems to reckon the bounty at upwards of 400,000 £., whilst Mr. Walpole, in his Report of the 9th August 1878, puts it at about 540,000 £.

On the other hand, M. Léon Say stated to the deputation of British sugar operatives at Paris, in July 1878, that the amount of the bounty did not exceed 94,000 £.

System for testing Sugars and preventing Frauds.

In conformity with the alternative arrangement which has come into force by the Law of the 30th December 1875, owing to the non-ratification of the Convention of that year, the administration of indirect taxes has formed six district laboratories for the examination of sugar.

These laboratories are situated at Lille, Valenciennes, Arras, Amiens, St. Quentin, and Clermont Ferrand. Each is under the direction of a head chemist and an assistant chemist, who have under their orders a sufficient number of Revenue employés to carry out the necessary duties of the Department.

In addition to the above, a central laboratory has been instituted in Paris, from which the district laboratories are fed. Its mission consists in controlling the results furnished by the district laboratories, and in assuring uniformity of practice throughout the service. It is occupied, moreover, with the analysis of all the samples in which anomalies have been found, and of which it has been warned by the district laboratories. It has also to analyse the sugars imported from abroad to be worked in the Paris refineries.

The Customs administration have, in the same way, instituted in the principal ports laboratories intended especially for the analysis of exotic and foreign beetroot sugar. These laboratories are situated at Marseilles, Nantes, Bordeaux, Havre, and Dunkirk.

In case of disagreement between the taxpayers and the Administration, the sugars are submitted to further examination by commissaires-experts of the Government, who are attached to the Ministry of Agriculture and Commerce.

When the refiner has a lot of sugar ready for exportation, three samples are taken, one for analysis, and the two others to control the same in case it is objected to.

The Government laboratory, where the analysis has been made, sends the certificate thereof to the administration, which passes it on to the head man of the factory, together with a statement showing that the lot is of such-and-such a yield, and should therefore be put into such-and-such a class.

According to the Report in 1876 of M. Aimé Gérard, Professor of Industrial Chemistry at the Conservatoire des Arts et Métiers, the system of saccharimetry for the assessment of duty on sugar does not afford as much facility for fraud as the old system of colour standards.

Frauds may be attempted—

1. By adding solid matters to the finished sugars by simple mechanical mixture. But it is contended that the chemists of the Governmental Department are too well practised to become the dupes of this species of adulteration.

2. By adding foreign substances to raw sugar in course of manufacture, which may be so disseminated through the mass that they cannot be immediately recognised by simple inspection. This can only occur in two ways, either the substances are soluble in water or they are insoluble in it. It is contended that in the latter case nothing is easier than to discover the fraud. With respect to the soluble salts, it is remarked, in the first place, that the list of those which can actually be employed is extremely limited. The analysis of the normal ash of sugars has been made over and over again, and it is known, with very small variation, what salts the sugars contain, and their quantity. Every abnormal proportion of ash, or the presence of any unusual compound, would suffice to attract the attention of the chemist, and the fraud would, therefore, be soon discovered. The addition of these foreign matters would, moreover, cause such inconveniences in the manufacture that it is little likely any manufacturer careful of his interests would practise it.

It is of course acknowledged by M. Gérard that it will always be possible for a defrauder to add foreign matters by hand at the moment of taking the sample for testing, and thus to endeavour to adulterate the little quantity from which the test sample would be taken. But it is contended that saccharimetry in this case is only placed in the same position as all the other methods for levying duty. In whatever way this duty has to be raised, it will always be necessary to take samples; and in whatever way these samples are to be dealt with, it must always be admitted that they might be altered in appearance or composition. This, therefore, becomes a simple matter of surveillance on the part of the Government officials.

(signed) F. O. Adams.

Appendix, No. 2.

ANNEX (A).

TABLE of DUTIES on SUGAR in France since 1850, per 100 kilog.

Law of 13 June 1851.	Law of 15 July 1855.	Law of 23 May 1860.	Law of 2 July 1862.	Law of 7 May 1864.	Laws of 8 and 11 July 1871.	Law of 22 January 1872.	Law of 30 December 1873.
Fr. c. Pure Sugar: Native - - 50 00 Colonial - 44 00	Fr. c. Native Raw Sugar: Below No. 13 - - 54 00 Above " - - 57 00 Colonial Raw Sugar: Below No. 13 - - 48 00 Above " - - 51 00	Fr. c. All Raw Sugar (Native or Colonial): Below No. 13 - - 27 50 Above " - - 30 00	Fr. c. Raw Sugar: Below No. 13 - 37 00 Above " - - 42 00	Fr. c. Raw Sugar: Below No. 13 - - 42 00 From No. 13 to No. 20 - - 44 00 Above No. 20 - - 45 00 Refined - - - 47 00	Fr. c. Raw Sugar: Below No. 13 - - 54 00 From No. 13 to No. 20 - - 52 00 Above No. 20 - - 58 50 Refined - - - 61 10	Fr. c. Raw Sugar: Below No. 13 - - 63 00 From No. 13 to No. 20 - - 68 00 Above No. 20 - - 67 50 Refined - - - 70 50	Fr. c. Raw Sugar: Below No. 13 - - 65 52 From No. 13 to No. 20 - - 68 64 Above No. 20 - - 70 20 Refined - - - 73 32

N.B.—The Paris standards are used. From 23 May 1860 the differential duty in favour of Colonial sugars was suppressed; but up to 16 January 1861, a rebate of 3 fr. per 100 kilog. was allowed to Colonial sugars. The present scale of duties is that established by the Law of 30 December 1873, which is continued up to the present day by virtue of the Law of 30 December 1875.

ANNEX (B).

SCALE of BOUNTIES and DRAWBACKS since 1816.

28 April 1816.	7 July 1820.	22 July 1822.	17 May 1826.	23 April 1833.	23 May 1860.	7 May 1864.	International Convention of 1864, and Cologne Experiments.	30 December 1875.
Bounty of 90 fr. per 100 kilogrammes of refined sugar.	Bounty of 100 fr. per 100 kilogrammes of refined sugar.	No bounty, but repayment of duties levied on importation (equivalent to drawback).	Bounty restored. 100 fr. and 120 fr. per 100 kilogrammes, according to quality.	Drawback system restored. Yields fixed at 70 and 73 per 100 kilogrammes, according to quality.	Yields raised to 76 and 80 per 100 kilogrammes, according to quality.	Graduated scale of yields from 78 to 84 per 100 kilogrammes, according to quality.	Graduated scale of yields from 67 to 94 per 100 kilogrammes, according to quality.	Graduated scale of yields from less than 76° to 98° and above.

No. 4.

Mr. Fenton to the Marquis of Salisbury.—(Received 17 May).

My Lord, The Hague, 16 May 1879.
 I HAVE the honour to inclose herewith a report on the system of taxation, drawbacks, &c., on sugar in the Netherlands, which I have drawn up in pursuance of the instructions contained in your Lordship's Circular Despatch of the 24th ultimo.

I have, &c.
 (signed) H. P. Fenton.

Enclosure in No. 4.

REPORT on the System of Taxation, Drawbacks, &c., on Sugar in the Netherlands.

THE system on which sugar is taxed in the Netherlands may be briefly described as follows:—

Taxation of Raw Sugar Imported.—For the purposes of taxation all raw sugar imported, whether from the Dutch Colonies or from foreign States, is divided nominally into five, but practically into four classes, the class under which it is ranged being determined according to a system of types established, as the result of scientific experiments made at Cologne in 1867, in conformity with the stipulations of Article II. of the Sugar Convention of 1864, between Great Britain, Belgium, France, and the Netherlands. Each of these classes of raw sugar is estimated to yield, on refinement, a certain proportion of pure or refined sugar, and duty is charged at the rate of 27 florins for every 100 kilogrammes of such estimated yield of refined sugar (2*l.* 5*s.* sterling per 220·46 lbs.), this being also the rate at which duty is levied on refined sugar imported from abroad, whilst on candied sugar the import duty is 7 per cent. above that rate, viz., 28 *fl.* 89 *c.* per 100 kilogrammes.

The practical effect of this system is that the duty on raw sugar is levied according to the following scale, viz.:—

		<i>Fl.</i>	<i>c.</i>
On raw sugar of the extra class and of the 1st class	- -	25	38 per 100 kilog.
" " 2nd class	- - - -	23	76 "
" " 3rd class	- - - -	21	60 "
" " 4th class and on "glucose"	- -	18	9 "

The refiner is allowed a credit of two months in respect of all duty payable by him on raw sugar taken into the refinery.

Taxation of Home-made Beetroot Sugar.—The beetroot sugar manufacturers of the Netherlands make only raw sugar, and are not at the same time refiners. The duty on their produce may be levied according to one or other of its density, according to the "densimeter," or according to the quantity of sugar actually produced under Excise supervision (*i. e.*, the "exercice" system), or according to the measured density of the beetroot juice (the so-called "abonnement" system), but practically the latter system alone is adopted.

Under that system the official yield is fixed as follows, viz., from the commencement of the working season until the 31st December, at 1·45 kilogrammes of refined sugar per hectolitre of beetroot juice, and per degree of its density, according to the "densimeter," and during the remainder of the manufacturing season at 1·40 kilogramme per hectolitre, &c., duty being levied on that fixed yield of refined sugar at the same rate as on the estimated yield of raw sugar on being refined, namely, 27 florins per 100 kilogrammes. Those manufacturers who apply the "osmose" process, pay, in addition, a surtax of 5½ per cent. on that rate of duty.

Mode of Testing and Classifying Raw Sugar.—Raw sugars are tested and classed on importation for the payment of duty, or on exportation under reimbursement of the duty, according to the system of types above referred to. And refined sugar declared for exportation under drawback must be found, on examination, to fulfil the conditions as to purity, hardness, and freedom from moisture set forth in Articles VIII. and IX. of the Sugar Convention of 1864, above mentioned.

The operation of testing and classifying raw sugars and of examining refined sugar is performed by persons acting under the authority of the Finance Department.

But their decisions may be appealed against, by the parties interested, to a commission of experts appointed by the Government and by the Local District Court and Chamber of Commerce.

System of Drawbacks on Sugar Exported.—The system under which drawback is allowed on refined sugar exported is that of crediting the refiner in the running account kept between the State and himself (for duty payable by him on raw sugar taken into the refinery), with the amount of duty reimburseable to him on the refined sugar which he enters for exportation. The amount thus credited to him is calculated at precisely the

Appendix, No. 2. same rate as that assumed in taxing the estimated yield of his raw sugar, that is to say, at 27 florins for every 100 kilogrammes of refined sugar.

Bounties.—Nominally, therefore, no bounty is obtained on refined sugar exported, the drawback allowed being the equivalent of the import duty paid, but it is an admitted fact that the per-centage of refined sugar actually yielded by the raw sugar is slightly in excess of the yield officially established under the system of classification according to the Cologne types above referred to. This excess must, as a matter of course, vary to some extent in proportion to the precise degree in which the raw sugar corresponds, in point of richness, to the quality supposed to be represented by the class under which it may have been ranged for the payment of duty. And it must also depend in some measure upon the greater or lesser degree of perfection to which the process of refining is carried; but such as this excess of yield may be, it at any rate constitutes the only advantage, in the shape of bounty, which is obtained by the Dutch refiner. It will be readily understood that there are no data for forming anything more than an approximate estimate of the extent of the bounty thus derived. But I am enabled to state that, according to the view entertained at the Netherlands Finance Department, it will be assumed to represent, on an average, about five per cent. on the amount of the *prise en charge*, or duty assessed on the raw sugar. Calculating at this rate, and taking, according to the Returns for 1876 and 1877, the quantity of refined or loaf sugar now exported annually from this country at an average of 65,000,000 kilogrammes, the value in money of the entire bounty obtained on the year's exportation would be about 836,000 florins, or 69,667 l. sterling.

In the same manner the beetroot sugar manufacturer is believed to derive a bounty, also of about the same amount as that obtained by the refiner, on the raw sugar which he exports, in consequence of the real yield of sugar from the beetroot juice being slightly in excess of the official yield established under the "abonnement" system of assessing duty.

No recent Alteration in Legislation respecting Sugar.—No alteration has been made in the legislation of the Netherlands with reference to sugar in recent years, and both the law and practice in all matters concerning sugar which are touched upon in this report remain at the present time such as they were when the Sugar Convention of 1864 expired.

Export of Refined Sugar from the Netherlands.—I append a return, showing the quantities of refined sugar exported from the Netherlands, and of the proportion thereof exported to Great Britain, during each of the 10 years from 1868 to 1877, the latter being the latest date to which the official returns have been compiled.

REFINED SUGAR exported from the Netherlands.

YEAR.	Total Exportation.	Exportation to Great Britain.
	<i>Kilog.</i>	<i>Kilog.</i>
1868 - - - - -	85,110,922	32,881,364
1869 - - - - -	92,006,400	36,954,946
1870 - - - - -	92,700,811	42,247,860
1871 - - - - -	103,526,573	41,426,090
1872 - - - - -	99,685,118	36,784,108
1873 - - - - -	85,498,007	41,998,280
1874 - - - - -	81,748,745	32,087,708
1875 - - - - -	75,305,229	28,536,002
1876 - - - - -	70,840,178	33,489,448
1877 - - - - -	60,437,151	27,810,563

It will be observed by these figures that, whilst the aggregate exportation during the last five or six years shows a considerable and progressive diminution year by year, the exportation to Great Britain has fallen off, comparatively speaking, to only a small extent.

The country to which the exportation has diminished in the greatest proportion during the last three or four years is Italy, for whereas in former years the export to that State was at the rate of 25,000,000 to 35,000,000 kilogrammes yearly, and amounted, as late as the year 1874, to 20,500,000 kilogrammes, it only reached 13,500,000 kilogrammes in 1876, and fell to 11,000,000 kilogrammes in 1877.

(signed) H. P. Fenton.

The Hague, 16 May 1879.

No. 5.

Sir *E. Thornton* to the Marquis of *Salisbury*.—(Received 2 June).

My Lord,

Washington, 19 May 1879.

IN compliance with the instruction contained in your Lordship's Circular Despatch of the 24th ultimo, I requested Mr. Drummond to make a report on the systems of taxation on sugar, and of drawbacks allowed on its exportation, and on the mode in which bounties on exportation are obtained.

I have now the honour to inclose copy of a letter addressed to me by that gentleman, transmitting his report upon the inquiries with regard to sugar made in your Lordship's Despatch above mentioned.

I have, &c.
(signed) *Edwd. Thornton*.

Enclosure 1 in No. 5.

Mr. *Drummond* to Sir *E. Thornton*.

Sir,

Washington, 19 May 1879.

IN accordance with the instructions you gave to me, to furnish a report on certain points concerning the systems of taxation, drawbacks, and bounties on the exportation of sugar now in force in the United States, I beg to enclose herewith the information which I have been enabled to obtain respecting them.

I have, &c.
(signed) *Victor Drummond*.

Enclosure 2 in No. 5.

REPORT by Mr. *Drummond* on System of Taxation, Drawbacks, and Bounties on the Exportation of Sugar in the United States.

1. *System of Taxation of Sugar now in force in the United States.*

Sugar produced in the United States is not subject to any tax.

Raw sugars imported from foreign countries are subject to duty, according to colour by the Dutch standard, at the following rates :—

						Cents per pound.
All sugars not above No. 7	-	-	-	-	-	2.1875
Above No. 7 and not above No. 10	-	-	-	-	-	2.5
" 10	"	18	-	-	-	2.1825
" 18	"	16	-	-	-	3.4375
" 16	"	20	-	-	-	4.0625
" 20	-	-	-	-	-	5

Imported refined sugars, loaf, lump, crushed, powdered, pulverised, or granulated, are subject to a duty of 5 cents per pound.

2. *System under which Drawbacks are allowed upon Exportation.*

Section 3019 of the Revised Statutes of 1874 provides, that—

"There shall be allowed on all articles wholly manufactured of materials imported on which duties have been paid, when exported, a drawback equal in amount to the duty paid on such materials, and no more, to be ascertained under such regulations as shall be prescribed by the Secretary of the Treasury. Ten per cent. on the amount of all drawbacks so allowed shall, however, be retained for the use of the United States by the collectors paying such drawbacks respectively."

Section 3 of the Act of the 3rd March 1875 (18 Statute, Part III., page 340), by which the existing rates of duty on sugar are established, contains the following proviso :—

"That of the drawback on refined sugars exported, allowed by Section 3019 of the Revised Statutes of the United States, only 1 per cent. of the amount so allowed shall be retained by the United States."

The rates of the drawback payable under the authority of these laws on the exportation of sugar refined from imported raw sugar, as ascertained and prescribed by the Secretary of the Treasury, are as follows :—

On loaf, cut loaf, crushed, granulated, and powdered sugar, dried, $3\frac{1}{2}$ cents per pound ;
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Appendix, No. 2.

on white coffee sugar, undried, and above No. 20 in colour by the Dutch standard, 2 $\frac{3}{4}$ cents per pound; on all grades of coffee sugar, No. 20 and below in colour, by the Dutch standard, 2 $\frac{1}{4}$ cents per pound.

These rates are subject to a retention of 1 per cent.

3. *The Mode in which Bounties on Exportation are obtained under these Systems. Amount of Bounties. Drawbacks.*

No bounties are allowed or obtained on exportations of sugar from the United States.

The drawbacks on exported sugars and molasses from the United States claimed to have been refined or manufactured from imported sugars, melado, or molasses for the years 1877 and 1878 were as follows :—

	Dollars.
1877 :—To Dominion of Canada - - - - -	918,862
To all other countries - - - - -	1,335,297
TOTAL - - - - -	2,253,959
1878 :—To Dominion of Canada and all other countries - - - - -	2,636,979

4. *Alterations of the Law and Practice in recent Years.*

The existing rates of duty on imported sugars were established by the Act of the 3rd March 1875 (18 Statute, Part III., page 340), which provided for an addition of 25 per cent. to the rates imposed by the Act of the 14th July 1870, (16 Statute, section 21, page 262).

The only change in the law governing allowance of drawback on articles manufactured from imported materials, which affects sugars, since 1861, was the above-cited proviso, in Section 3 of the Act of 1875, reducing the retention on the drawback payable upon refined sugars from 10 to 1 per cent.

The above-stated rates of drawback on sugar were established on the 6th September 1877; those in force prior to that date were as follows :—

On loaf, cut loaf, crushed, granulated, and powdered refined sugar, dried, 3 $\frac{1}{2}$ cents per pound; on refined white coffee sugar, above No. 20 in colour by the Dutch standard, 3 cents per pound; on refined coffee sugar, No. 20, Dutch standard, and below that number in colour, 2 $\frac{1}{2}$ cents per pound.

5. *System in force for testing Sugars and preventing Frauds up to the present Time. Remarks on its Working.*

The quantity of imported sugars, and also of those entered for exportation with benefit of drawback, is ascertained and reported upon to the collector by a United States' weigher, and their colour is determined by a United States' appraiser, upon comparison with the Dutch standard of samples taken under his supervision by experienced sampling officers, from at least one in every 10 packages covered by the import or export entry.

As regards the allowance of drawback on exportations of sugar, the present system and the reduced rates now in force, are considered to satisfactorily accomplish the object of the drawback law.

In regard to the collection of duties on imported sugars, the Secretary of the Treasury, in his annual reports to Congress for 1877 and 1878, expressed the opinion that the Dutch standard is an unsatisfactory basis for the assessment of duty, founded as it is on colour alone, which bears no definite relation to the value of sugar, and that some change in the mode of collecting duties on sugar should be made, with a view of excluding the temptation either to colour sugar for the purpose of reducing the duty, or to commit fraud by means of sampling and classification.

This opinion was based upon the experience of many years, and particularly that of the last two years during which a number of importations were found by Government officers to consist of sugars artificially coloured, for the purpose of securing admission at a lower rate of duty. It was in all cases contended by the importers that the colour was the result of the ordinary process of manufacture, although it was admitted that the process used at the sugar-boiling establishments of Demerara and Cuba was calculated to produce raw sugars of dark colour, and containing at the same time a very high proportion of crystallisable cane sugar. Several seizures have been made of sugar, claimed by the Government to have been artificially coloured, and a suit involving one of these cases was tried, and a verdict obtained to the effect that the sugar was artificially coloured, after the ordinary process of manufacture was completed, but that there was no proof to establish the knowledge of this fact by the importer, at the time of making the entry. No forfeiture could, therefore, be enforced in the case, as the existing law requires proof of guilty knowledge of fraud.

It seems to be generally admitted by experts in the sugar trade that since the introduction in the sugar-growing countries of vacuum pans and centrifugal machines, the classification of sugar, according to proof by the polariscope, or by means of a combined test by both the

the Dutch standard and the polariscope, has become absolutely necessary, in order to establish a reasonable system of taxation for that commodity. Appendix, No. 2.

The above information has been kindly furnished to me by the Treasury Department here.

British Legation, Washington,
19 May 1879.

(signed) *Victor Drummond.*

No. 6.

REPORT on Taxation, Drawbacks, and Bounties in connection with the Sugar Trade of the German Empire.

In Germany there are two taxes connected with the sugar trade:—

1. An excise duty affecting the native beetroot industry.
2. An import duty on foreign sugars.

There is, moreover, a well-defined scale of drawbacks showing the particular class and quality of sugar which can alone obtain the Government grant on exportation, and also the rate at which such grant is allowed in each particular case.

Objection has sometimes been taken, even in this country, to the soundness of the principle on which the present sugar taxes are levied and the drawbacks granted; but whether or not the system is open to criticism from an economic point of view, it has apparently the merit of being less complicated than some of the systems in force in other countries.

The excise duty consists of a tax of 80 pfennige (100 pfennige = 1 mark = 1 s.), or a fraction over $9\frac{1}{2}$ d., on every centner or cwt. of beetroot (1 centner = $110\frac{1}{2}$ English pounds, or exactly 50 kilog.), that is to say, it is levied, not on the yield of saccharine matter, but on the beet itself previous to manipulation, and quite irrespectively of its quality or yield.

This rate of taxation was determined by a law dated the 26th June 1869; nor does there appear to be any probability of its being changed, for the present at all events.

The process of weighing the roots is performed in the presence of Government inspectors, the beets having been previously washed, their tops cut off, and any unsound part of the root removed.

The duty of these inspectors is to see that the weights used are those authorised by the Government, and their right of inspection does not cease until the operation of extracting the sugar from the beets has been concluded, and the sugar has left the factory.

The sum of 80 pfennige was fixed for the excise duty, on the calculation that, for making 1 cwt. of raw sugar, $12\frac{1}{2}$ cwt. of beetroot would be required, and that consequently every cwt. of raw sugar would, on an average, be supposed to pay to the State a tax of 10 marks or shillings.

Formerly, no doubt, this calculation was fairly accurate, and even at the present time, in some districts of Germany, hardly less than $12\frac{1}{2}$ cwt. of beets are still required to make 1 cwt. of raw sugar.

Great improvements, however, have taken place in the methods of extracting the sap of the beet, and it seems to be now generally admitted that, taking one district with another throughout Germany, 1 cwt. of raw sugar can be made out of 10.82 cwt. of beets.

As, then, the excise duty of 80 pfennige, although based on the supposition that $12\frac{1}{2}$ cwt. beet = 1 cwt. raw sugar, is not levied on these $12\frac{1}{2}$ cwt. of beet, as a fixed quantity which must be worked up into sugar, but on each cwt. of beet separately, it is clear that the smaller the quantity of beets used to make 1 cwt. of raw sugar, the greater will be the profit of the sugar manufacturer; in other words, if 1 cwt. of raw sugar could, for instance, be extracted from 10 cwt. of beetroot, the manufacturer would only have paid an excise duty of 8 marks for the cwt. of raw sugar ($10 \text{ cwt. beet} \times 80 \text{ pfennige} = 800 \text{ pfennige} = 8 \text{ marks}$), instead of the official assessment of 10 marks ($12\frac{1}{2} \text{ cwt. beet} \times 80 \text{ pfennige} = 1,000 \text{ pfennige} = 10 \text{ marks}$). And this difference, when a beet crop has been abundant, or the beets are specially rich in sap, will allow of a by no means inconsiderable bounty being obtained from the drawbacks which were determined at the time it was supposed that every cwt. of raw sugar exported from the country had paid an excise duty of 10 marks.

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	Per Cwt. of 50 Kilog., or 110½ Pounds.
	<i>Mks. pf.</i>
1. Upon raw sugar containing not less than 88 per cent. of saccharine matter, according to the polarisation test, a drawback is given of - - -	9 40
2. Upon candy sugar, and on sugar in white, hard, full leaves of 25 pounds, net weight, or for refined sugar broken in the presence of a Custom-House officer, a drawback is allowed of - - - - -	11 50
3. Upon all other hard sugar, as well as on all white crystal, ground, or powdered sugar not containing more than 1 per cent. of moisture, or less than 98 per cent. of saccharine matter, according to the polarisation test, a drawback is allowed of - - - - -	10 80

Now, supposing the original calculation of 12½ cwt. of beets being required to make 1 cwt. of raw sugar were correct, the exporter of this class of sugar would gain no actual direct bounty from the drawback of 9 marks 50 pfennige, as at the rate of 80 pfennige per cwt. of beets, the cwt. of raw sugar would have paid an excise duty of 10 marks, but he would, at all events, have gained a considerable indirect bounty, from the fact of his having recovered all but 60 pfennige of the excise duty he had paid, and of being thus able to sell his sugar in a foreign market at a much lower figure than he could otherwise have done, and with profit.

On the other hand, if, as is proved to be the case, 10·82 cwt. of beets suffice, on an average, to make 1 cwt. of raw sugar, there can be no doubt that not only is a fair bounty obtainable from the excess of drawback over excise duty, but that in a good year the bounty so obtained on the surplus sugar sent out of the country would materially tend to lessen the expenses which had been connected with the preparation of the sugar remaining in the country for the wants of the population, or it could be employed for enabling the exporter to sell his sugar in a foreign market under cost price.

These arguments are, of course, equally applicable to classes of refined sugar on which drawbacks are allowed; for although these drawbacks are higher than those on raw sugar, the expenses connected with refining are also higher.

The native sugar industry is further protected by the following import duty levied on foreign sugars:—

	Per net Cwt. of 50 Kilog., or 110½ Pounds.
	<i>Mks. pf.</i>
1. Refined sugar of all kinds, as well as raw sugar of and above Class No. 19 of Dutch types - - - - -	15 00
2. Raw sugar of inferior quality to that known as the Dutch type No. 19 -	12 00
3. Syrup - - - - -	7 50
Molasses for the use of Spirit Distillers under control is admitted - -	Free.

It will be observed, on comparing the table of drawbacks on export with that of the import duties on foreign sugars, that, whereas the quality of the raw sugar exported is tested by the process of polarisation, and no specific test is applied to refined sugar, the imported foreign sugars, whether refined or raw, are submitted to the test of what is known as the Dutch standard according to classification by colour.

It is not pretended that a sugar of the Dutch class of type, No. 19 would be the exact equivalent of a sugar proved to contain 98 per cent. of saccharine matter when tested by means of polarised light, or that 88 per cent. of polarisation would be accurately represented by a lower class of type; but, however anxious the Government may be to apply a uniform test to both imported and exported sugars, so as to prevent fraud, the expense of providing a staff of experts along the entire German customs frontier, competent to undertake the polarisation test, would be so great that it has been decided to adopt the colour test for imported sugars, while retaining the test by polarised light for those exported. To superintend the latter process a certain number of experts, appointed under the immediate authority of the Federal Council, are named for stated districts, and all sugar intended for exportation must be sent to one or other of them to be tested.

The penalties attaching to any attempt to obtain a drawback upon a sugar which is under the degree of purity specified in the official table are so heavy, that it is in the interest of the exporter to have his sugar tested carefully before submitting it to the experts, the

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most limited margin only being allowed for the possibility of unintentional error on his Appendix, No. 2.
part.

The polarisation test is not regarded as by any means perfect, for, although it will give with fair accuracy the quantity of saccharine matter in solutions of raw sugar, it has hitherto failed to determine the precise quality of the other ingredients. Experiments are, however, now being made by the eminent German professor of chemistry, Dr. Scheibler, who is at the head of the Royal Laboratory at Berlin, and he hopes to be able to obtain satisfactory results from them.

Having alluded to the present state of the law in Germany with respect to the sugar duties, drawbacks, and bounties, I will endeavour to show how the revenue is affected, and this can be done by ascertaining what amount of drawbacks has been granted during a given period, and then comparing it with the total of import duties on foreign sugars and of excise on beetroot collected within a similar period.

It may be as well, however, if I at once state that no drawbacks are granted if the quantity of sugar exported falls short of 10 cwt., nor has the German Government thought it necessary to fix any amount as the minimum revenue which the State should receive from the import and excise taxes.

The sugar year ("campagne") is reckoned from the 1st September in one year to the 31st August in the following year.

During the year 1877-78 there were imported into Germany of refined and raw sugar, paying duty at the rate of 15 marks per cwt., 98,305 cwt., as against 154,194 cwt. in the preceding year ended 31st August 1877; of raw sugar, paying duty at the rate of 12 marks per cwt., 23,347 cwt., as against 20,344 cwt. in 1876-77; and of syrup, paying 7 marks 50 pfennige per cwt., 82,056 cwt., as against 106,378 cwt. in 1876-77; while the quantity of molasses admitted free during the last sugar year amounted to 14,108 cwt., as against 57,199 cwt. in the preceding sugar year. The total value of the import duties on these sugars being, in 1877-78, 2,369,082 marks, and, in 1876-77, 3,353,926 marks, or a difference of 984,844 marks in favour of the latter year.

In 1877-78 there were in Germany 329, and, in 1876-77, 328 sugar factories, the process of extracting sugar from the beet by "diffusion" appearing to be rapidly taking the place of all other methods.

In the former year 81,819,360 cwt. of beets were worked up, as against 71,000,731 cwt. in the latter year, producing a revenue, from the excise duty of 80 pfennige the cwt., of, in 1877-78, 65,455,491 marks; in 1876-77, 56,800,570 marks.

The net weight of sugar exported from the different administrative districts during the year ended 31st August 1878, and entitled to drawbacks, amounted, in 1877-78, to 1,819,547 cwt.; in 1876-77, to 1,166,040 cwt.; and in 1877-78, to 17,855,173 marks; in 1876-77, 11,389,541 marks were paid away in drawbacks.

It will be seen, therefore, that the revenue derived from excise and import duties on sugar was, in 1877-78, 67,824,573 marks, and in 1876-77, 60,154,496 marks. But then in the former year the Government paid away in drawbacks 17,855,173 marks, as against 11,389,541 marks in the latter period; so that, although the gross income from import duties and excise was in excess of that produced by the two taxes in 1876-77 by 7,670,077 marks, the net income derived by the State from these duties in 1877-78 did not exceed the income in 1876-77 by more than 1,204,445 marks, namely:—

							<i>Marks.</i>
In 1877-78—Gross income	-	-	-	-	-	-	67,824,573
„ Drawbacks	-	-	-	-	-	-	17,855,173
						Net income	49,969,400
<hr/>							
In 1876-77—Gross income	-	-	-	-	-	-	60,154,496
„ Drawbacks	-	-	-	-	-	-	11,389,541
						Net income	48,764,955
<hr/>							
In 1877-78—Net income	-	-	-	-	-	-	49,969,400
In 1876-77—Net income	-	-	-	-	-	-	48,764,955
						Difference	1,204,445

The number of sugar refineries which were at work throughout Germany during 1877-78 were 64; during 1876-77, 68.

In 1877-78 the refineries together used 3,699 cwt. of foreign raw sugar, and 4,420,954 cwt. native beetroot sugar; total, 4,424,653 cwt.

In 1876-77 the refineries used 3,572 cwt. of foreign raw sugar, and 3,629,932 cwt. of native beetroot sugar; total, 3,683,504 cwt.

From what has been said in this Report, it will be observed that the cultivation of beetroot in Germany for the manufacture of sugar is becoming a lucrative industry, that the import of foreign sugar is falling off, while the export of native sugar is increasing, and

Appendix, No. 2.

that the corresponding increase in the amount of drawbacks allowed proportionately diminishes the revenue derived by the State from the excise duty on beetroot. It will also be observed that the exact amount of bounty gained by exporters from the system of drawbacks must depend principally upon the number of cwts. of beets which may have been required to make each cwt. of raw sugar, as compared with the number which, in determining the rate of excise duty and drawbacks, it was imagined would be required; but it will also depend upon the quantity of raw sugar of foreign manufacture, subject to import duty, which may be used in factories, as well as upon the quality of the native beetroot, which in its weight and yield varies considerably in different seasons and localities; so that it would be difficult to calculate what bounty is actually obtained by exporters. It may, however, be safely concluded that a considerable gain is now obtained from drawbacks; and that as fresh improvements are introduced into the methods of extracting the saccharine matter from the beets, and manufacturers in this country may employ whichever they prefer without restriction, the gain will be greater, always supposing that the present rates for the excise duty and drawbacks remain unaltered, and that the system of applying the former to the weight of the beet, independently of its yield, continues in force.

Taking one sugar manufactory with another, and making due allowance for the expenses connected with the several methods employed for working the beets, it may be asserted with tolerable accuracy that, inclusive of excise duty, the average cost of extracting sugar from every 1 cwt. of beets is about 2½ marks.

If, then, as has already been stated, 10·82 cwt. of beets suffice for 1 cwt. of raw sugar, the average cost of manufacturing the latter would be about 30 marks, though in some factories the expenses amount to 40 marks, while in others the cost varies between 22 and 24 marks.

Annexed, I have given the average prices of different kinds of sugar in the principal sugar market of Germany—Magdeburg—for a period extending over the last seven years.

PRICE LIST showing average Prices of different Classes of Sugar in the Magdeburg Market from 1871 to 1878.

YEARS.	Crystal Sugar above 98 per Cent. Polarization.	Sugar from 95 per Cent. to 98 per Cent. Polarization.	New Sugar, White or Yellow.	New Sugar, Inferior Quality.	Farin, White, Grey, or Yellow.	Refined in Leaves.	Mells.	Best Molasses.
		Marks.	Marks.	Marks.	Marks.	Marks.	Marks.	Marks.
1871-72 -	45·1	41	37	29·6	40	51·4	49·3	4·7
1872-73 -	40	36	32	28	37	49	46·7	4·2
1873-74 -	38	35	32·6	26·5	35	46·8	43·8	5
1874-75 -	39·2	36	32·6	27·5	34·5	46·2	43·3	4·3
1875-76 -	35·3	30	26·8	25·5	31·8	42·4	40·1	2·5
1876-77 -	42·6	38·3	36·3	32·3	38·5	49·3	47·3	4·2
1877-78 -	36·2	31	29·2	26·5	33·5	40·9	40	4

Berlin, 7 June 1879.

(signed) John Walsham.

No. 7.

REPORT on the System of Taxation of Sugar in Italy.

THE system at present in force in Italy for the taxation of sugar is regulated by the Act passed on the 2nd June 1877. This law prescribed a tax of 21 lire 16 c. per quintal upon manufactured and refined sugar, applicable likewise as a surtax on the custom-house duties on foreign sugars.

Up to 1877 the revenue had looked for no assistance from the consumption of so important an article; and indeed, since the union, no marked change has been effected in the simple and easy method of taxation formerly prevalent in Piedmont.

Sugars were broadly distinguished in two classes—raw and refined. The first were burdened with an import duty of 20 lire 80 c., and the second by a tax of 28 lire 85 c.

For some time the method adopted by the Administration for determining the different qualities of sugar was very irregular; the distinction was, however, maintained, but a special importance was attached according to the duties which affected them. Thus the class of sugars

sugars which presented a superior degree of whiteness to the Dutch No. 20 were subjected to a heavier duty, whilst the rest were classed with the raw sugars. This law put an end to innumerable questions; but the refineries of Liguria which had been established in 1873 objected that, according to the tariff of 1859, the duties between the two classes of sugars were unequal, inasmuch as those on raw and refined were in a proportion of 72 to 100; consequently, since they paid the same import duty on all raw sugars, they found it more profitable to refine sugar above 72 degrees than attempt the refining of inferior qualities; they further argued that such glaring discrepancy only encouraged artificial speculation, produced general discontent, and rendered a revision of the law necessary, in order to give due development to the refining trade of Italy.

The sugar question in Italy, since 1859, may be said to have been limited to secondary considerations. On the one hand, the duties were low, and of no importance to the revenue; on the other, the consumption was small.

The imports of sugar from 1861 to 1878 were as follows:—

YEARS.*							Raw Sugar.	Refined Sugar.	Duties Extracted.
							<i>Quintals.</i>	<i>Quintals.</i>	<i>Lire.</i>
1861	-	-	-	-	-	-	136,262	371,179	12,541,764
1862	-	-	-	-	-	-	120,450	429,876	14,907,283
1863	-	-	-	-	-	-	279,430	319,050	15,016,737
1864	-	-	-	-	-	-	362,211	214,644	13,727,045
1866	-	-	-	-	-	-	95,612	529,149	17,264,266
1866	-	-	-	-	-	-	115,588	535,693	17,868,045
1867	-	-	-	-	-	-	89,014	466,795	15,314,196
1868	-	-	-	-	-	-	130,557	532,876	18,081,219
1869	-	-	-	-	-	-	141,381	540,156	18,515,751
1870	-	-	-	-	-	-	146,211	537,978	18,571,726
1871	-	-	-	-	-	-	141,457	569,720	19,386,346
1872	-	-	-	-	-	-	164,011	538,174	17,943,953
1873	-	-	-	-	-	-	297,523	510,140	20,908,798
1874	-	-	-	-	-	-	343,021	450,922	20,182,735
1875	-	-	-	-	-	-	378,515	481,285	21,779,322
1876	-	-	-	-	-	-	373,395	423,838	19,994,213
1877	-	-	-	-	-	-	474,041	378,612	26,118,859†
1878	-	-	-	-	-	-	478,186	254,195	32,348,066

Considering the extension of territory and population which has taken place since 1870, it was only in 1877 that a marked increase appeared in the sugar duties, and the fact perhaps

* These and other figures quoted are taken from a statistical report published by Signor Ellena.

† The statistical reports of 1877-78 include the manufacturing, refining, and extra tax on sugar imported under the law of the 2nd June 1877, amounting to—

					1877.	1878.
					<i>Lire.</i>	<i>Lire.</i>
Import duty	-	-	-	-	20,621,074	17,270,795
Local tax	-	-	-	-	1,793,808	5,019,774
Surtax	-	-	-	-	3,693,977	10,048,497
TOTAL					26,118,859	12,348,066

Appendix, No. 2. haps deserves notice that the increase in the importation of raw sugar appears counter-balanced by the decrease in that of the refined material.

The average consumption in Italy is about 3 kilog. per head, whilst in England it exceeds 28 kilog., and in France 7 kilog.

The increase in the importation of raw, and the decline in refined sugar, may no doubt be attributed to the improvements lately introduced in the manufacture of the raw article; but it may also be due to the "Punto Franco" * of Genoa, where the process of "mixing" is freely carried on, and raw sugars are there so skilfully manipulated and dressed, that they are made to assume the appearance of refined sugars, and sold as such, though they are kept within the category of the former, and do not exceed the prescribed degree known as No. 20 of Dutch sugars, being, therefore, only liable to the raw sugar duty.

After the establishment of the Sampierdarena refinery near Genoa, in 1873, the importation of raw sugar assumed a considerable development, and great results were anticipated, not only from the refining industries, but also from the manufacture of native sugar.

At Anagni, in the Province of Rome, under the Papal rule, there existed a manufactory of beetroot sugar; two others were subsequently opened, one at Cesa, near Arezzo, and the second at Rieti, in Umbria. Later on a third was started at Chivasso, near Turin, for the extraction of Sorghum sugar; with the exception, however, of the establishments at Cesa, which yielded in 1878 upwards of 1,694 quintals, all the undertakings gave but very indifferent results.

The practical result of the refining industry may be said to have been confined to the amount produced by the Sampierdarena factory, which, from 1873 to 1878, was as follows:—

YEARS.							Sugars Imported.	Refined Sugars Produced.
							Quintals.	Quintals.
1873	-	-	-	-	-	-	37,620	29,141
1874	-	-	-	-	-	-	90,677	81,140
1875	-	-	-	-	-	-	151,849	131,041
1876	-	-	-	-	-	-	160,752	148,379
1877	-	-	-	-	-	-	116,781	143,879
1878	-	-	-	-	-	-	388,512	284,948

From the above figures it is evident that the increase in the production of refined sugar in 1878 was chiefly due to the law of 1877. That law was passed in consequence of the financial requirements of Italy, but it tended especially to the development of native refineries.

In anticipation of this result the Government had for several years past decided on an increase of the sugar duties, but owing to the Commercial Treaties by which those duties are regulated, it was deemed impossible to obtain the desired result by direct taxation. Under these circumstances the law was framed establishing the tax of 21 lire 15 c. per quintal on the manufacture as well as on the refinery of sugar. Thus the import duty on raw sugar rose to 41 lire 95 c. (28 lire 80 c. payable in gold and the balance in paper), and that on refined sugar to 50 lire (28 lire 85 c. payable in gold).

Having abandoned the system of types and saccharometers, some difficulty was experienced in selecting a proper system for the application of this law; in order, however, to avoid the risk of trying a new system, the Government decided to place the manufacturers and refiners under its immediate supervision. The refinery of Sampierdarena then suddenly manifested a marked activity which may be thus explained. Before the promulgation of the law of June 1877, the refinery paid 20 lire 80 c. per quintal on raw sugar, which, after undergoing a certain process, was sold on the Italian market as refined sugar. In other words, before the year 1877 the refiners paid 23 lire 11 c. for every quintal of refined sugar produced, but since foreign sugars were subject to an import tax of 28 lire 85 c., the refiners necessarily cleared a protective profit of 5 lire 74 c. in gold.

By the application of the new law it was necessary, in order to obtain a quintal of refined sugar, to pay, first the import duty of 23 lire 11 c. in gold, and secondly, the refining tax of 21 lire 15 c. in paper (equal at the exchange of 10 per cent. to 19 lire 35 c. in gold); foreign

* The "Punto Franco" is a partial return to the old system of free ports. It is also called "Depositi Franco," or free depôt; only foreign goods are admitted, and not all classes of them. Native produce is excluded, and will continue to be sent to the bonded warehouses.

foreign sugar, however, being liable as formerly to an import duty of 28 lire 85 c., which, added to the surtax of 19 lire 45 c., made a total of 48 lire 20 c.; thus the refinery derived the same protective profit of 5 lire 74 c. Appendix, No. 2.

It must be observed that, in addition to the above profit after the application of the law, the refiners of Sampierdarena were allowed to pay the duty and tax by means of bills at six months, free of interest; furthermore, owing to the refining tax being provisionally paid on the assumed average production of 80 per cent. (which, in reality, amounts to 90 per cent.), they have the additional advantage of giving bills for this balance payable at the end of the year, likewise free of interest. Consequently, calculating the interest on these bills at 5 per cent., the refiners realise an additional profit of 1 lira 16 c. in gold per quintal.

The system of bills proved a source of considerable profit to the refining trade, and to it also was due the prosperous condition of the refining trade.

On the 20th January last, however, the Minister of Finance, with a view to meeting the urgent necessities of the budget, due to the abolition of the grist tax, presented a Bill for the reform of the sugar duties (translation herewith enclosed). His Excellency proposed (1) to modify the import duty established by the Customs' tariff, *i.e.*, to increase the duty on raw sugar to 45 lire, and that on refined sugar to 56 lire; (2) to do away with the refinery tax and the surtax; and (3) to impose a tax of 24 lire 20 c. per quintal of raw, and 27 lire 15 c. on the refined sugar produced in Italy. The refiners at once protested against the Bill, complaining especially that no hope was held out to them of a continuation of the present system of payments by drafts or bills. On the other hand, numerous petitions have been presented to the Chamber against the present system of levying the import duties.

It is unnecessary to examine at present the merits of these complaints; suffice it to say that the law of 1877 admitted the system of collecting the tax on the manufacture because no other system could then be devised, but the Government was at that time determined to return to the old system as soon as the different treaties of commerce expired.

Indeed, when the new treaty of commerce with Austria-Hungary was negotiated, it was stipulated that the duty on raw sugar should not be less than four-fifths of the import duty on refined sugar; therefore the Bill presented to the Chambers appears destined (1) to suppress the refinery tax, and (2) suggests a return to the former state of things, save the increase on the import duty.

The sugar question has, in consequence of the Bill now under discussion, assumed a certain importance, but it is likewise evident that neither the Minister of Finance nor the committee are in any way disposed to entertain the question of drawbacks or to make further concessions to the refining trade.

Since the Bill in question has been under the consideration of the committee, the Minister of Finance has recommended a further increase of the duties, *viz.*, that raw sugar be raised to 53 lire, and refined sugar to 66 lire 25 c. His Excellency gives as his reasons for this additional increase that not only will the revenue gain an additional 5,000,000 lire, but that it will be the means of depriving the refiners of every pretext for claiming fresh favours, inasmuch as their profits (supposing their average production to be 90 per cent.) will amount to 7 lire 36 c. in gold, which will be even greater than that which they now derive by the credit or bill system.

The Minister at first proposed to tax the sugar factories at the rate of 24 lire 50 c. per quintal of raw, and 27 lire 15 c. of refined sugar. But his Excellency now suggests, with a view to placing these taxes in due proportion to the import duty, that they be raised to 32 lire 20 c. and 37 lire 40 c. respectively.

I have the honour to transmit a copy of the report drawn up by Signor Luzzatti, and presented to the Chamber in the name of the committee appointed to examine the Bill. This paper offers the most complete and detailed information, both financially and economically, that can be obtained with regard to the sugar question in Italy. With a view, however, to answering the questions set forth in the Marquis of Salisbury's Circular of the 21st April, I have likewise the honour to annex translations of extracts from Signor Luzzatti's able work, which have reference to the various points mentioned in his Lordship's Despatch.

In submitting the Bill to the favourable consideration of the Chamber, the committee recommended "that no time should be lost by the Government in entering into negotiations with other States interested in the sugar question, with a view to taking measures for guarding against the conversion of drawbacks into bounties."

The Bill has now passed the Chamber in the enclosed amended form, and will probably, as it now stands, receive the sanction of the Senate.

Rome, 1 May 1879.

(signed) *H. G. Macdonell.*

REPORT respecting Drawbacks, Exportation, &c., of Russian Manufactured Sugar.

Drawback on Sugar.—Drawbacks on Russian manufactured sugar exported abroad were first established in 1871 as a temporary measure up to the 1st August 1872, in virtue of a decision of a Commission of Ministers confirmed by His Imperial Majesty on the 5th March 1871.

By the modifications, confirmed by His Majesty in 1872, of several clauses of the statute relating to excise on native sand sugar, the Minister of Finance acquired the right of establishing every two years in advance the extent of drawback allowed on native sugar exported abroad, as well as the rules to be observed in its exportation.

In accordance with this the Minister of Finance, on the 18th April 1873, fixed the rules to be observed in the exportation of sugar abroad on which drawbacks were allowed. With the exception of the rates of drawback, which were altered several times, these rules remained unchanged up to the 28th April 1877, when new rules were established, which remain in force up to the present time.

Rules to be observed in the Exportation of Sugar Abroad.—Under the rates of drawback on sugar established in 1871, sugar intended for exportation abroad was to be subjected to examination by the Customs' officials, who were to draw up a certificate which was to be countersigned by the shipper or his agent. In the absence of the latter, representatives of the local police were to be summoned. On the basis of this document the excise duty was refunded from the nearest Treasury Board or from the Custom House.

By the Rules promulgated on the 18th April 1873 drawbacks were only allowed on consignments of sugar of not less than 10 poods.

Sugar intended for exportation abroad must be forwarded to the Custom House duly furnished with bills of lading, and a declaration, in which must be stated the number and nature of the cases, gross and net weight and quality of the sugar. Each case must likewise bear on it an inscription of the net and gross weights, with the exception of sugar exported to Persia in felt wrappers.

On an examination of the quantity and quality of the sugar by the Customs' officials, it is dispatched abroad, and the Custom House issues a certificate which must be presented on the following day to the Treasury Board from which the shipper has to receive the drawback.

The certificate specifies the quantity and quality of sugar and the amount of excise to be refunded.

Before repaying drawbacks exceeding 50 roubles in amount, the Treasury Board, following a general rule, formerly applied for the sanction of the Minister of Finance, and before repaying an amount exceeding 10,000 roubles, the decision of the Senate was necessary. On the 21st January 1877 it was decided that the Treasury Boards should repay excise duty to any amount without preliminarily applying for permission.

Excise duty on sugar exported to Finland is not repaid until the shipper produces a certificate from the Finnish Customs' Department to the effect that the duty levied on sugar exported to Finland has been paid.

According to the Rules established on the 28th April 1877 the examination of sugar is effected by the Custom House in the presence of an excise officer, and the shipper or his agent.

The certificate of examination is made out in duplicate, and must bear the signatures of the competent officials, together with a statement of the quantity and quality of the sugar, the amount of excise, and the date of exportation.

This certificate must be produced at the Treasury Board not later than the third day, and the shipper is supplied with a formal attestation of the exportation of the sugar.

By the Regulations issued on the 18th April 1873 the exportation of sugar was allowed by way of the following Custom Houses:—

St. Petersburg, Libau, Verjboloff, Alexandrovsk, Granitsk, Volotchisk, Radzivil, Skuliansk, Novoseletsk, Odessa, Astrakhan, Tiflis, Baku, the Quarantine Custom Office, and the Djulfa Quarantine Station (in the latter case an examination has to be made at the Tiflis Custom House). Subsequently, at different times, the exportation of sugar has been allowed also by way of the following Custom Houses:—

Graeff, Sosnovitsk, Teploff, Riga, Peshovsk, Ungen, Mloffsk, Tschiniouk, and Bulgarsk.

The exportation of sugar into Finland may only be effected through the Custom House of the port of St. Petersburg and the Branch Custom House at the Finnish railway station.

The payment of drawbacks on the certificates issued by the Custom Houses is effected by the Treasury Boards of St. Petersburg, Moscow, Baku, Tiflis, Kieff, Warsaw, and Odessa.

Extent of Drawback.—In 1871 the amount of drawback on exported sugar was fixed at 27 copecks per pood.

By

By the Rules issued on the 18th April 1873, for a period of two years, the amount of Appendix, No. 2. drawback was established at the following rates:—

	Copecks.
Refined sugar - - - - -	42 per pood.
White sand sugar - - - - -	40 "
Brown sand sugar - - - - -	23 "

In March 1875, in view of the elevation of the standard of yield of beetroot presses at the sugar factories, and the augmentation consequently of the actual amount of excise paid on sugar, the extent of drawback on exported sugar was increased and established for two years, as follows:—

	Copecks.
Refined sugar - - - - -	47 per pood.
White sand sugar - - - - -	45 "
Brown sand sugar - - - - -	26 "

With a view to stimulate the export trade, and in order to assist the manufacturers in disposing of their sugar, the Minister of Finance, in October 1876, applied for an Imperial confirmation of the establishment of a drawback on exported sugar at the full rate of excise levied on sugar, namely,—

	Copecks.
Refined or white sand - - - - -	80 per pood.
Brown sugar - - - - -	45 "

The drawback was accordingly established at this rate from the 1st August 1877.

In view of the demand in foreign markets, principally in France, of a brown sugar of a superior quality, a medium quality of sand sugar was established between the white and brown sorts, and the drawback on this quality was fixed at 70 copecks per pood.

On the 28th April 1877, the extent of drawbacks in the above proportions was extended to the 1st January 1878, from that date to the 1st May, and lastly to the 1st October 1878.

From the 1st October 1878 to the 28th April 1879, the drawback on sugar was established at the following rates:—

	Copecks.
Refined and white sand - - - - -	65 per pood.
Sand sugar, medium quality - - - - -	55 "
Brown sand sugar - - - - -	35 "

The drawback on sugar is to continue in this proportion until the 1st August 1880, when a new standard will be established for beetroot presses.

For determining the quality of sugar 12 standard stills have been established with the following polarimetrical standards:—

White sugar, Nos. 1—5, containing not less than 95 per cent.

White raw sand, No. 6.*

Medium, between white and brown, Nos. 7—9, containing not less than 95 per cent.

Brown sand, Nos. 10, 11, containing not less than 95 per cent.

Brown raw sugar, No. 12.*

It is, moreover, enacted that sand sugar, although in lumps, must crumble, and should not be wet. Refined sugar must be in heads, bars, or pieces, hard, and in regular shapes. The covering must consist of two sheets of paper, and be tied in the manner prescribed.

On raw moist white or brown sugar no drawback is allowed.

The classification of sugar is effected by comparison with samples which are distributed to the different Custom Houses.

Mode of defining the Quantity and Quality, and preventing Frauds.—According to the Rules established on the 18th April 1873 for the inspection of sugar at the Custom Houses, not less than one-tenth part of the whole consignment is examined.

If the sugar to be exported is sand sugar, apertures are made in several casks, and the sugar is extracted by means of long scoops; not more than two apertures, however, are made in one case. Refined sugar is unpacked.

The weight of the consignment is checked by weighing one-tenth part of the gross quantity and deducting the tare, which is:—

For sugar packed in barrels made of fir or pine and other light woods, and weighing not less than 25 poods, 7 per cent.

For sugar packed in barrels made of oak, ash, and other heavy woods (including aspen), 9 per cent.

For single bags, 2 per cent.

For double bags, 4 per cent.

For treble bags, 6 per cent.

The net weight of sugar exported to Persia and Asiatic Turkey in felt packing is determined by process of weighing; when exported in cases weighing not more than 5½ poods gross, the weight of the tare is fixed at 28 per cent.

If

* No drawbacks are payable on these qualities of sugar.

Appendix, No. 2. If on examination a discrepancy occurs in the quantity or quality of the sugar, as shown in the declaration, of more than two per cent., the whole consignment is either re-examined or re-weighed.

In cases where a difference of more than three per cent. occurs between the actual net weight and that obtained by subtracting the established per-centage of tare from the gross weight, notwithstanding that the gross and net weights may agree with the bill of lading, the whole consignment is re-weighed.

On the basis of the rules issued on the 28th April 1877, over and above the extraction of samples of sand sugar from different portions of the consignment, it is necessary that a certain number of bags, and not less than one cask, be emptied out, and that the bottoms and tops of the casks be examined. Refined sugar is to be unpacked.

If on examination the quality of sugar is found to be in accordance with the declaration, but a discrepancy occurs in the weight of more than two per cent., one-third of the consignment is re-weighed. If in such case the actual weight exceeds that stated in the declaration, the remaining portion is not checked, and the excise is refunded only on the weight declared. If the rules established for the packing and tying of refined sugar be not observed, a portion of the actual weight is deducted as a penalty. If a difference of from three to eight per cent. occurs in the actual weight and that which will be obtained by subtracting the per-centage of tare allowed, one-third of the net weight of the consignment is checked.

When the difference exceeds eight per cent., the net weight of the whole consignment is checked.

If any difference between the declared and actual quality of the sugar is discovered, the whole consignment is examined. In the event of any doubt arising as to the quality of the sugar, or if the shipper is not satisfied with the decision of the Customs officials, a sample of the sugar is forwarded to the Excise Department to be examined by experts.

On the basis of the rules promulgated on the 18th April 1873, if any foreign substance be found in the sugar and which increases the weight, or if in place of sugar other bodies are found the whole consignment is confiscated, and the shipper subjected to a fine equal to double the amount of the excise to be refunded.

In accordance, however, with the rules established 28th April 1877, only that portion of the consignment is confiscated in which the fraud occurs, and similarly in regard to the fine. The remaining portion is allowed to be exported, though not before the above-mentioned fines have been paid.

The exportation of sugar abroad under the system of drawbacks established in 1871 was insignificant to the year 1876, not exceeding a few hundred poods per annum. It was only in the latter year that the exportation attained 499,462 poods (the drawback on which was paid in the following year of 1877).

In 1877 the quantity of sugar exported was 3,891,897 poods. In 1878 the exportation fell to 301,068 poods.

The total amount of drawbacks paid was as follows:—

In 1871 } 1872 }	No drawbacks returned.										Rbbs.	c.
1873 -	-	-	-	-	-	-	-	-	-	-	109	10
1874 -	-	-	-	-	-	-	-	-	-	-	120	80
1875 -	-	-	-	-	-	-	-	-	-	-	186	17
1876 -	-	-	-	-	-	-	-	-	-	-	188	27
1877 -	-	-	-	-	-	-	-	-	-	-	3,264,795	00
1878 -	-	-	-	-	-	-	-	-	-	-	320,946	00

Total amount of drawbacks paid, or excise returned, from the 1st January 1873, to the 1st January 1879, is R. 3,586,295. 84 c.

(signed) *F. R. Plunkett.*

Appendix, No. 3.

PAPER handed in by *Mr. Bourke.*

Appendix, No. 3.

M. Léon Say to *M. Waddington*.—(Communicated to the Marquis of *Salisbury* by the *Count de Montebello*, 10th June).

M. le Président et cher collègue,

Paris, le 29 Avril, 1879.

La question des sucres, qui s'est déjà tant de fois imposée à l'attention de nos prédécesseurs, se présente aujourd'hui sous un nouvel aspect.

Pendant bien des années les producteurs Français de sucre de betterave n'avaient pas cessé de se plaindre des procédés commerciaux de la raffinerie, et surtout des facilités que pouvait cette industrie dans notre régime fiscal, et nos calculs de rendements à l'exportation; mais, d'une part, le temps a fait justice de beaucoup d'exagérations, et, d'autre part, il a été donné en partie satisfaction à ce que les plaintes avaient de fondé. L'application de la saccharimétrie au titrage des sucres bruts a sensiblement réduit les bénéfices de rendement que

que pouvait procurer le système des types de nuance. Les préoccupations de la plupart de nos fabricants se sont ainsi détournées peu à peu de leur ancien objectif pour se concentrer sur un danger plus réel, dont l'intensité s'accuse chaque jour davantage ; je veux parler des primes indirectes que certaines législations étrangères, particulièrement celle de l'Autriche-Hongrie, accordent aux exportateurs de sucres bruts nationaux.

Dans la dernière Session du Comité Central des fabricants du sucre en France, l'un des membres de ce Comité a donné lecture d'une note dans laquelle, après avoir exposé le mécanisme de la législation Austro-Hongroise, il fait ressortir à 12 fr. 33 c. par quintal métrique la différence moyenne entre le droit payé par le producteur et le remboursement qu'on lui accorde à la sortie.

Le prix normal du sucre brut n'excédant pas 50 fr., le fabricant Austro-Hongrois jouirait à l'exportation d'une prime de près de 25 pour cent. Il y a toujours dans les calculs de cette nature une part d'hypothèses. On peut donc discuter la quotité de la prime ; mais personne n'en conteste l'existence, et elle est évidemment la cause du rapide développement des exportations de l'Autriche-Hongrie. En réalité, c'est surtout le marché Anglais que se disputent les divers Etats producteurs de sucre de betterave, et voici les chiffres que je relève dans les statistiques de l'Administration Britannique pour les quatre dernières années :—

IMPORTATIONS.

	De France.	D'Autriche-Hongrie.*
	<i>Kilog.</i>	<i>Kilog.</i>
1876 - - - - -	50,842,000	28,410,000
1876 - - - - -	34,900,000	75,812,000
1877 - - - - -	22,144,000	92,697,000
1878 - - - - -	14,092,000	123,203,000

Ainsi, tandis que les expéditions de la France pour l'Angleterre descendaient de 50,000,000 kilog. à 14,000,000 kilog., celles de l'Autriche-Hongrie s'élevaient de 28,000,000 kilog. à 123,000,000 kilog., de pareils résultats devaient impressionner d'autant plus vivement nos producteurs qu'ils avaient eu pour but, lorsqu'ils s'attaquaient à la raffinerie, de restreindre les exportations en raffinés Français sur le marché de la Grande Bretagne, et d'y placer par contre de plus grandes quantités de sucres bruts Français. Il n'est donc pas surprenant que leurs réclamations à cet égard s'accroissent de plus en plus.

Je comprends, sans doute, l'hésitation du Gouvernement Anglais à prendre des mesures contre les primes dont profitent les exportations Austro-Hongroises, mais je ne comprendrais pas qu'il considérât à un point de vue différent les primes données aux sucres bruts et les primes données aux sucres raffinés. Il ne saurait méconnaître, en outre, que la situation actuelle nous place nous-mêmes en face d'un problème presque insoluble. Comme vous le savez, M. le Président et cher collègue, nous désirons supprimer le plutôt possible les bénéfices de rendement que notre régime des classes peut laisser encore aux raffineurs, et faire disparaître ainsi toute apparence de primes. Il a été question notamment de fixer les droits et les rendements au degré, de manière à retirer au commerce l'avantage qu'il trouve, aujourd'hui, à rechercher, dans chaque classe, les sucres de la classe supérieure.

Comment pouvons-nous le faire, étant données les primes Autrichiennes ? Nous ne pouvons pas admettre que nous enlevions par voie de Convention à nos industriels toute chance de bénéfice de rendement, alors que les raffineurs Anglais pourraient librement employer, sans surtaxe d'aucune espèce, des sucres bruts largement primés par certains pays exportateurs.

La concurrence ne serait plus égale sur le marché Anglais. Les deux questions sont donc absolument liées. Elles ne peuvent se traiter l'une sans l'autre, et notre liberté d'action, en ce qui concerne les raffinés, dépend absolument de la solution qui peut être donnée à la question des primes Autrichiennes.

Au moment où le Parlement Anglais va procéder à une enquête sur le régime international des sucres, il me paraîtrait utile, M. le Président et cher collègue, que ces observations fussent signalées à l'attention du Gouvernement de la Reine.

Agréer, &c.
Le Ministre des Finances,
(signé) *Léon Say.*

* Les sucres d'Autriche-Hongrie étant dirigés sur la Grande Bretagne par la voie des ports Allemands, c'est au compte l'Allemagne qu'ils figurent dans les relevés Anglais.

Appendix, No. 4.

Appendix, No. 4.

PAPER handed in by Mr. Bourke.

STIPULATIONS with regard to Most-Favoured-Nation Treatment of PRODUCE and MANUFACTURES in the COMMERCIAL TREATIES between *Great Britain and Austria, Belgium, France, Germany, Italy, the Netherlands, Russia, and the United States*, respectively.

AUSTRIA.

TREATY of 30 APRIL 1868.

ARTICLE I.

British ships and their cargoes in all the dominions of His Imperial and Royal Apostolic Majesty, and ships belonging to the citizens of the Imperial Royal States and their cargoes in all the dominions of Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, from whatever place arriving, and whatever may be their place of destination, and whatever may be the place of origin or destination of their cargoes, shall be treated in every respect as national ships and their cargoes.

Every favour or exemption in these respects, or any other privileges in matters of navigation which either of the contracting parties shall grant to a third Power, shall be extended immediately and unconditionally to the other party.

TREATY of 5 December 1876.

ARTICLE II.

The produce and manufactures of, as well as all goods coming from, Austria-Hungary which are imported into the territories and possessions, including the colonies and foreign possessions, of Her Britannic Majesty, and the produce and manufactures of, as well as all goods coming from, British possessions, which are imported into the Austro-Hungarian monarchy, whether intended for consumption, warehousing, re-exportation, or transit, shall therein, during the continuance of this treaty, be treated in the same manner as, and in particular shall be subjected to no higher or other duties than, the produce and goods of any third country the most favoured in this respect.

No other or higher duties shall be levied in the Austro-Hungarian monarchy on the exportation of any goods to the territories and possessions, including the colonies and foreign possessions, of Her Britannic Majesty, or in the territories and possessions, including the colonies and foreign possessions, of Her Britannic Majesty, on the exportation of any goods to the Austro-Hungarian monarchy, than on the exportation of the like goods to any third country the most favoured in this respect.

The two high contracting parties likewise guarantee to each other treatment on the footing of the most favoured third country in regard to the transit of goods through the territory of the one from and to the territory of the other.

ARTICLE III.

Every reduction in the tariff of import and export duties, as well as every favour or immunity that one of the contracting parties grants to the subjects and commerce of a third Power, shall be participated in simultaneously and unconditionally by the other.

ARTICLE IV.

The stipulations of the foregoing Articles, I.* to III., relative to the reciprocal treatment on the footing of the most favoured third country, shall not apply—

1. To those special and ancient privileges which are accorded to Turkish subjects for the Turkish trade in Austria-Hungary.

2. To those advantages which are or may be granted on the part of the Austro-Hungarian monarchy to the neighbouring countries solely for the purpose of facilitating the frontier traffic, or to those reductions of, or exemptions from, customs duties which are only valid in the said monarchy for certain frontiers, or for the inhabitants of certain districts.

3. To the obligations imposed upon either of the high contracting parties by a customs union already concluded, or which may hereafter be concluded.

ARTICLE V.

Neither of the high contracting parties shall establish a prohibition of importation, exportation, or transit against the other which shall not, under like circumstances, be applicable to the third country most favoured in this respect.

*Article I. relates to subjects, not to trade.

BELGIUM.

TREATY of 23 JULY 1862.

ARTICLE XI.

THE treatment of the most favoured nation is reciprocally guaranteed to each of the two countries in all that concerns transit and warehousing.

ARTICLE XIV.

Neither of the two high contracting parties shall impose upon goods the produce or manufacture of the other party other or higher duties of importation than such as are or may be imposed upon the same goods the produce of any other foreign country.

Each of the two parties engages to extend to the other any favour or privilege, or reduction in the tariff of duties of importation or exportation, on articles mentioned, or not mentioned, in the present treaty, which either of them may grant to any third Power. They engage, moreover, not to establish against each other any duty or prohibition of importation or exportation which shall not, at the same time, be applicable to all other nations.

FRANCE.

TREATY of 23 JANUARY 1860.

ARTICLE XIX.

EACH of the two high contracting Powers engages to confer on the other any favour, privilege, or reduction in the tariff of duties of importation on the articles mentioned in the present treaty, which the said Power may concede to any third Power. They further engage not to enforce one against the other any prohibition of importation or exportation which shall not at the same time be applicable to all other nations.

Second Supplementary Convention of 16 November 1860.

ARTICLE I.

Each of the high contracting Powers engages to extend to the other any favour, any privilege, or diminution of tariff which either of them may grant to a third Power in regard to the importation of goods mentioned, or not mentioned, in the Treaty of the 23rd January 1860.

TREATY of 23 JULY 1873.

ARTICLE I.

THE Treaty of Commerce concluded on the 23rd January 1860 between the United Kingdom of Great Britain and Ireland and France, as also the Supplementary Conventions of the 12th October and 16th November of the same year, are again put in force in all their stipulations and in their full tenour, and shall continue to have effect as before the Act of Denunciation of the 15th March 1872.

The high contracting parties guarantee to each other reciprocally, as well in the United Kingdom as in France and Algeria, the treatment, in all respects, of the most favoured nation.

It is, therefore, understood, that, in conformity with the stipulations of Article XIX. of the Treaty of Commerce, concluded on the 23rd January 1860, and of Article V. of the Supplementary Convention of the 16th November of the same year, each of the high contracting parties engages to give the other, immediately and unconditionally, the benefit of every favour or immunity, every privilege or reduction of tariff in regard to the importation of merchandize, whether mentioned or not in the Treaty and Conventions of 1860, which have been or may be conceded by one of the high contracting parties to any foreign nation whatsoever, whether within or beyond Europe.

G E R M A N Y.

TREATY of 30 MAY 1865 (Zollverein).

ARTICLE II.

produce and manufactures of the dominions and possessions of Her Britannic Majesty which may be imported into the Zollverein, and the produce and manufactures of the Zollverein which may be imported into the United Kingdom of Great Britain and Ireland, whether intended for consumption, warehousing, re-exportation, or shall therein be treated in the same manner as, and in particular shall be subject to the same or other duties than, the produce and manufactures of any third country the same are treated in those respects.

ARTICLE III.

Neither lower nor higher duties shall be levied in the Zollverein on the exportation of any article to the dominions and possessions of Her Britannic Majesty, nor in the dominions and possessions of Her Britannic Majesty on the exportation of any goods to the Zollverein, nor shall there be levied on the exportation of the like goods to any third country the same or other duties than, the same are treated in that respect.

ARTICLE V.

Any favour, privilege, or reduction in the tariff of duties of importation or exportation, granted by either of the contracting parties to any third Power, shall be extended immediately and unconditionally to the other. No prohibition of importation or exportation shall be established by either of them which shall not at the same time be applicable to all other nations.

TREATY of 16 AUGUST 1866 (Prussia).

ARTICLE I.

British ships and their cargoes shall, in Prussia, and Prussian ships and their cargoes in the United Kingdom of Great Britain and Ireland, from whatever place arriving, whether they may be their place of destination, and whatever may be the place of origin or port of their cargoes, be treated in every respect as national ships and their cargoes. Any favour or exemption which either of the contracting parties shall grant in these respects to any other Power shall be immediately and unconditionally extended to the other.

I T A L Y.

TREATY of 6 AUGUST 1863

ARTICLE II.

Neither lower nor higher duties shall be imposed on the importation into the dominions and possessions of Her Britannic Majesty of any article the produce or manufacture of the dominions and possessions of His Majesty the King of Italy, from whatever place arriving, than the duties which shall be payable on the like article the produce or manufacture of any other foreign country; nor shall any prohibition be maintained or imposed on the importation of any article the produce or manufacture of the dominions and possessions of either of the contracting parties into the dominions and possessions of the other which shall not equally be maintained or imposed on the importation of the like articles being the produce or manufacture of any other foreign country.

His Majesty the King of Italy further engages that he will not prohibit the importation into the dominions and possessions of any article the produce or manufacture of the dominions and possessions of Her Britannic Majesty from whatever place arriving.

ARTICLE III.

Neither lower nor higher duties or charges shall be imposed in the dominions and possessions of either of the contracting parties on the exportation of any article to the dominions and possessions of the other than such as are or may be payable on the exportation of the like article.

article to any other foreign country; nor shall any prohibition be imposed on the exportation of any article from the dominions and possessions of either of the two contracting parties to the dominions and possessions of the other which shall not equally extend to the exportation of the like article to any other country.

Appendix, No. 4.

NETHERLANDS.

TREATY of 27 OCTOBER 1837.

ARTICLE I.

No duty of customs or other impost shall be charged upon any goods the produce of one country, upon importation by sea or by land from such country into the other, higher than the duty or impost charged upon goods of the same kind the produce of, or imported from, any other country; and Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, and His Majesty the King of the Netherlands, do hereby bind and engage themselves not to grant any favour, privilege, or immunity in matters of commerce and navigation to the subjects of any other State which shall not be also, and at the same time extended to the subjects of the other high contracting party gratuitously, if the concession in favour of that other State shall have been gratuitous, and on giving as nearly as possible the same compensation or equivalent, in case the concession shall have been conditional.

R U S S I A.

TREATY of 12 JANUARY 1859.

ARTICLE II.

No other or higher duties shall be imposed on the importation into the dominions and possessions of Her Britannic Majesty of any article the growth, produce, or manufacture of the dominions and possessions of His Majesty the Emperor of All the Russias, from whatever place arriving, and no other or higher duties shall be imposed on the importation into the dominions and possessions of His Majesty the Emperor of All the Russias of any article the growth, produce, or manufacture of Her Britannic Majesty's dominions and possessions, from whatever place arriving, than are or shall be payable on the like article the growth, produce, or manufacture of any other foreign country; nor shall any prohibition be imposed on the importation of any article, the growth, produce, or manufacture of the dominions and possessions of either of the two contracting parties into the dominions and possessions of the other which shall not equally extend to the importation of the like articles being the growth, produce, or manufacture of any other country.

ARTICLE III.

No other or higher duties or charges shall be imposed in the dominions and possessions of either of the contracting parties on the exportation of any article to the dominions and possessions of the other than such as are or may be payable on the exportation of the like article to any other foreign country; nor shall any prohibition be imposed on the exportation of any article from the dominions and possessions of either of the two contracting parties to the dominions and possessions of the other which shall not equally extend to the exportation of the like article to any other country.

ARTICLE IV.

The same reciprocal equality of treatment shall take effect in regard to warehousing, and to the transit trade, and also in regard to bounties, facilities, and drawbacks, which are or may be hereafter granted by the legislation of either country.

ARTICLE V.

All merchandise and articles of commerce the produce or manufacture either of the dominions and possessions of His Majesty the Emperor of All the Russias, or of any other country, which are or may be legally importable into the ports of the United Kingdom of Great Britain and Ireland, its dominions and possessions, in British vessels, may likewise be imported into those ports in Russian vessels, without being liable to any other or higher duties, of whatever denomination, than if such merchandise and articles were imported in British vessels; and reciprocally all merchandise and articles of commerce the produce or manufacture either of the United Kingdom of Great Britain and Ireland, its dominions and possessions, or of any other country, which are or may be legally importable into the ports of the dominions and possessions of His Majesty the Emperor of All the Russias, in

Appendix, No. 4. Russian vessels, may likewise be imported into those ports in British vessels, without being liable to any other or higher duties, of whatever denomination, than if such merchandise and articles were imported in Russian vessels. Such reciprocal equality of treatment shall take effect without distinction, whether such merchandise and articles come directly from the place of origin, or from any other place.

In the same manner there shall be perfect equality of treatment in regard to exportation, so that the same export duties shall be paid, and the same bounties and drawbacks allowed, in the dominions and possessions of either of the high contracting parties, on the exportation of any article which is or may be legally exportable therefrom, without distinction, whether such exportation shall take place in Russian or in British vessels, and whatever may be the place of destination, whether a port of the other contracting party or of any third Power.

UNITED STATES.

TREATY of 3 JULY 1815.

ARTICLE II.

No higher or other duties shall be imposed on the importation into the territories of His Britannic Majesty in Europe of any articles the growth, produce, or manufacture of the United States, and no higher or other duties shall be imposed on the importation into the United States of any articles the growth, produce, or manufacture of His Britannic Majesty's territories in Europe, than are or shall be payable on the like articles, being the growth, produce, or manufacture of any other foreign country; nor shall any higher or other duties or charges be imposed in either of the two countries on the exportation of any articles to His Britannic Majesty's territories in Europe, or to the United States, respectively, than such as are payable on the exportation of the like articles to any other foreign country; nor shall any prohibition be imposed upon the exportation or importation of any articles the growth, produce, or manufacture of the United States, or of His Britannic Majesty's territories in Europe, to or from the said territories of His Britannic Majesty in Europe, or to or from the said United States, which shall not equally extend to all other nations.

The same duties shall be paid on the importation into the United States of any articles the growth, produce, or manufacture of His Britannic Majesty's territories in Europe, whether such importation shall be in vessels of the United States or in British vessels, and the same duties shall be paid on the importation into the ports of any of His Britannic Majesty's territories in Europe of any article the growth, produce, or manufacture of the United States, whether such importation shall be in British vessels or in vessels of the United States.

The same duties shall be paid, and the same bounties allowed, on the exportation of any articles the growth, produce, or manufacture of His Britannic Majesty's territories in Europe, to the United States, whether such exportation shall be in vessels of the United States or in British vessels; and the same duties shall be paid and the same bounties allowed, on the exportation of any articles the growth, produce, or manufacture of the United States, to His Britannic Majesty's territories in Europe, whether such exportation shall be in British vessels or in vessels of the United States.

It is further agreed that in all cases where drawbacks are or may be allowed upon the re-exportation of any goods the growth, produce, or manufacture of either country respectively, the amount of the said drawbacks shall be the same whether the said goods shall have been originally imported in a British or American vessel; but when such re-exportation shall take place from the United States in a British vessel, or from the territories of His Britannic Majesty in Europe in an American vessel, to any other foreign nation, the two contracting parties reserve to themselves, respectively, the right of regulating or diminishing in such case the amount of the said drawback.

Appendix, No. 5.

NOTE addressed to the Chairman by M. Léon Say.

S U C R E S.

Appendix, No. 5.

NOTE.

Le régime des sucres raffinés en France pour l'exportation est inexactement apprécié à l'étranger. On s'exagère les avantages que les raffineurs peuvent en retirer ; on paraît ignorer les précautions qui sont prises pour la détermination de la richesse des sucres bruts.

Cette note a pour objet de rétablir les faits ; et, en même temps, de faire connaître les règles que l'administration applique et les garanties qui en résultent.

CLASSEMENT DES SUCRES.

Les sucres bruts destinés à être raffinés pour l'exportation sont divisés en cinq catégories d'après la quantité de sucre raffiné qu'ils peuvent fournir. (Loi du 30 décembre 1875, Art. 13 à 15.)

Ces catégories sont caractérisées comme suit :

- 1° Sucres bruts dont le rendement en sucre raffiné est évalué à *moins* de 76 p. % ;
- 2° Sucres bruts rendant en sucre raffiné de 76 p. % inclusivement à 85 p. % exclusivement ;
- 3° Sucres bruts rendant en sucre raffiné de 85 p. % inclusivement à 92 p. % exclusivement ;
- 4° Sucres bruts rendant en sucre raffiné de 92 p. % inclusivement à 98 p. % exclusivement ;
- 5° Sucres en grains, dits poudres blanches, et autres sucres bruts dont le rendement en sucre raffiné est de 98 p. % *ou plus*.

Les mêmes catégories existaient antérieurement à la loi du 30 décembre 1875 ; mais alors elles s'établissaient, non pas d'après la richesse, mais seulement d'après la couleur du sucre. On se réglait pour ce classement sur les types établis par le Gouvernement hollandais, et les sucres bruts étaient divisés comme suit :

- 1° Sucres bruts inférieurs par la nuance au No. 7 de la série des types hollandaise ;
- 2° Sucres bruts inférieurs par la nuance était égale, au moins, à celle du No. 7 de la série hollandaise et *ne dépassait pas* le No. 9 ;
- 3° Sucres bruts égaux, *au moins*, en nuance au No. 10 de la série hollandaise et *ne dépassant pas* le No. 14 ;
- 4° Sucres bruts égaux, ou moins, en nuance au No. 15 de la série hollandaise et *ne dépassant pas* le No. 18 ;
- 5° Sucres bruts correspondant aux No. 19 et 20 de la série hollandaise et poudres blanches. (Antérieurement à la loi 30 décembre 1875, ceux-ci ne pouvaient être raffinés que pour la consommation intérieure.)

L'usage a consacré, pour les catégories actuelles, ces anciennes dénominations. Bien qu'il ne soit tenu aujourd'hui aucun compte de la nuance des sucres bruts, et que leur classement s'opère exclusivement d'après leur richesse, on appelle encore :

Sucres au-dessous du No. 7, les sucres bruts dont le rendement est de *moins* de 76 p. %.

Sucres des Nos. 7 à 9, les sucres bruts rendant en sucre raffiné de 76 p. % inclusivement à 85 p. % exclusivement ;

Sucres des Nos. 10 à 14, les sucres bruts rendant en sucre raffiné de 85 p. % inclusivement à 92 p. % exclusivement ;

Sucres des Nos. 15 à 18, les sucres bruts rendant en sucre raffiné de 92 p. % inclusivement à 98 p. % exclusivement ;

Poudres blanches et sucres Nos. 18 à 20, les sucres dont le rendement en sucre raffiné est de 98 p. % *ou plus*.

TITRAGE DES SUCRES.

La détermination de la richesse des sucres s'opère par les procédés scientifiques avec la rigoureuse exactitude que ces procédés comportent.

Il a été à cet effet, par les deux administrations des Douanes et des contributions indirectes, des laboratoires de chimie dans les principaux centres d'introduction ou de production des sucres de canne et des sucres de betterave. Un personnel de chimistes expérimentés a été attaché à ces laboratoires. Et ce personnel a été placé sous l'autorité d'un directeur, d'une grande notoriété scientifique, qui surveille et contrôle l'ensemble du travail tant à Paris que dans les départements.

On sait que les sucres bruts contiennent ou peuvent contenir, suivant leur origine ou leur qualité :

- 1° Du sucre proprement dit (*saccharose des chimistes ou sucre cristallisable*) ;
- 2° Du glucose ;
- 3° Des matières minérales, que l'on désigne collectivement sous le nom de *cendres* ;
- 4° De l'eau ;
- 5° Des matières (autres que celle ci-dessus) généralement d'origine végétale, dont on ne fait pas directement le dosage, et auxquelles on donne, par ce motif, le nom d'Inconnu.

Voici le mode d'Analyse adopté dans les Laboratoires de l'Etat :

1° Détermination du degré Saccharimétrique :—La détermination de la quantité de sucre cristallisable s'obtient au moyen du saccharimètre à pénombre de Laurent.

L'instrument est gradué à 100 degrés ; 100 degrés correspondant au sucre pur.

On pèse 16 grammes 19 centigrammes (16 g. 19 c.) du sucre à analyser, et on les introduit dans un matras jaugé, de 100 centimètres cubes (1-10^{ème} de litre).

On fait une première dissolution du sucre dans la *plus petite quantité possible* d'eau distillée ; on ajoute du sous-acétate de plomb pour décolorer, et l'on remplit le matras d'eau distillée jusqu'à ce que la solution affleure le trait 100.

La liqueur est ensuite filtrée, et une partie en est introduite dans le tube du saccharimètre.

Le degré observé donne la quantité de sucre cristallisable.

2° Détermination du Glucose :—Le glucose est dosé au moyen de la liqueur cupro-potassique. Cette liqueur, d'un bleu intense, est titrée de telle sorte que 10 centimètres cubes de la liqueur soient réduits et décolorés par une quantité de glucose de gr. 0.050 (5-100^{èmes} de gramme).

On emploie pour l'opération ce qui est resté de la solution de sucre préparée pour l'essai au saccharimètre.

On introduit cette liqueur sucrée dans une burette graduée.

Et, d'autre part, on verse dans un tube en verre 10 centimètres cubes de la liqueur cupro-potassique.

On porte à l'ébullition la liqueur cupro-potassique ; on y fait alors tomber peu-à-peu la liqueur sucrée, jusqu'à complète réduction du cuivre, c'est-à-dire jusqu'à ce que la liqueur cupro-potassique (*liqueur bleue*) ait été entièrement décolorée.

A ce moment, on sait que le volume de la liqueur sucrée employée pour la réduction du cuivre contient gr. 0.050 de glucose. Par un calcul proportionnel on obtient la quantité de glucose contenue dans le sucre.

3° Dosage des Cendres :—On pèse, 4 grammes de sucre dans une capsule de platine, dont on a préalablement pris la tare.

On les imbibe avec de l'acide sulfurique concentré, *pur*, et l'on incinère de mélange dans un fourneau à moufle ; lorsque l'incinération est terminée on pèse de nouveau ; on déduit la tare de la capsule : la différence donne le poids des cendres.*

Mais ce poids comporte une correction. En effet les chlorures contenus dans le sucre ont été transformés en sulfates. Le poids des cendres est ainsi devenu trop fort. On le diminue de 1-10^{ème} pour le ramener au vrai.

4° Dosage de l'eau :—Quatre autres grammes du sucre sont pesés dans une capsule de platine tarée ; on les place dans une étuve chauffée de 100 à 110° où ils restent pendant deux heures.

La

* Si le sucre contenait des matières étrangères (sable, terre, charbon, etc.), on dissoudrait 20 grammes du sucre dans l'eau, de telle sorte que la solution occupât un volume de 100 centimètres cubes ; on filtrerait et on prélèverait, au moyen d'une pipette jaugée, 20 centimètres cubes de la solution que l'on soumettrait d'abord à la dessiccation et ensuite à l'incinération avec de l'acide sulfurique.

La perte de poids donne le poids de l'eau.

(Le sucre séché dans la capsule est arrosé avec de l'acide sulfurique, et sert à une seconde détermination des cendres, qui contrôle la première.)

5° Inconnu :—On additionne les matières précédemment dosées (sucre, glucose, cendres et eau). Ce qui manque pour compléter le nombre 100 représente les matières non-dosées, c'est-à-dire, l'*Inconnu*.

EXEMPLE.

EXAMPLE.						
On a trouvé	{	Sucre cristallisable	-	-	-	94.50
		Glucose	-	-	-	1.75
		Cendres	-	-	-	0.16
		Eau	-	-	-	2.
		Dont l'addition donne	-	-	98.41	
		Inconnu (matières non-dosées)	-		1.59	
TOTAL						100.00

RENDEMENT EFFECTIF.

On sait que, dans le travail du raffinage, la présence du glucose, ainsi que celle des cendres, empêche la cristallisation d'une portion du sucre.

Il est admis, dans les transactions commerciales, que, pour le calcul du rendement du sucre brut en sucre raffiné, il faut déduire du degré saccharimétrique le glucose et les cendres, en attribuant au glucose le coefficient 2 et aux cendres le coefficient 5.

L'administration applique les mêmes cases d'évaluation.

Ainsi, dans l'exemple cité plus haut, le rendement en sucre raffiné s'établit comme suit:—

Degré saccharimétrique à déduire	-	-	-	-	94.50
Glucose : $1.75 \times 2 = 3.50$	-	-	-	-	4.30
Cendres : $0.16 \times 5 = 0.80$	-	-	-	-	
					<hr/>
Rendement effectif	-	-	-	-	90.20

PRÉLÈVEMENT DES ÉCHANTILLONS.

Des précautions toutes particulières sont prises pour que l'échantillon soumis au laboratoire représente exactement le sucre qu'il s'agit de classer.

C'est toujours par les agents de l'administration que cet échantillon est formé. Les intéressés assistent au prélèvement; mais il leur est absolument interdit d'y prendre matériellement part, soit par eux, soit par leurs commis ou ouvriers.

Pour les sucres indigènes l'échantillonnage se fait avant la sortie des fabriques; par conséquent lorsque le sucre est encore en vrac. On peut toujours ainsi facilement s'assurer de l'homogénéité de la masse.

Pour les sucres exotiques, il est prescrit de sonder tout les colis *sans aucune exception*, et de se conformer, en outre, strictement aux dispositions ci-après.

Chacun des lots adressés à des consignataires différents ou portant des marques différentes doit être échantillonné séparément; et toutes les fois que l'état du sucre, sa nuance, ou tout autre motif, donne lieu de penser qu'un même lot contient des sucres de qualité différente, on doit établir des subdivisions pour chaque qualité.

Le sondage des colis est fait par un emballleur de la douane, en présence et sous la direction d'un vérificateur. Le sous-inspecteur, chef du service de la visite, y assiste fréquemment.

Les colis sont sondés de part en part; et, à la fois, s'il s'agit de forts colis, dans le sens de la longueur et dans le sens de la largeur, afin que le produit du sondage représente la qualité moyenne du sucre.

On prend sur chaque colis des échantillons approximativement égaux; on a soin de les tenir pendant le sondage à l'abri des influences atmosphériques; on veille attentivement à ce qu'il ne puisse y être introduit aucune matière étrangère.

Au moyen de ces échantillons partiels, le service forme un échantillon *commun* pour chaque lot ou fraction de lot; et il prélève immédiatement sur cet échantillon, et renferme dans des flacons de verre le sucre destiné au titrage.

Séance tenante, ces flacons sont revêtus du cachet du bureau et de celui des intéressés, toujours présents à l'opération, mais avec interdiction absolue, comme on l'a dit plus haut, d'y prendre matériellement part.

Les flacons ainsi remplis et cachetés sont au nombre de 4, savoir: 1 pour l'analyse du laboratoire local; 1 pour le laboratoire central du Paris, en vue des contrôles qu'il est chargé d'exercer; 1 pour l'expertise légale, dans le cas où les intéressés contesteraient

Appendix, No. 5. les résultats du laboratoire local ; enfin, 1 quatrième en prévision des accidents (bris ou perte de flacons) qui pourraient se produire en cours de transport.

FONCTIONNEMENT DE L'ADMISSION TEMPORAIRE.

Les sucres bruts destinés au raffinage pour l'exportation sont litrés *en franchise* aux raffineurs, moyennant l'obligation que ceux-ci souscrivent d'exporter ou de mettre en entrepôt, dans un délai de deux mois au plus, les quantités correspondantes de sucre raffiné.

Cette obligation doit être cautionnée, et le receveur ne doit admettre que des cautions offrant des garanties suffisantes de solvabilité.

Si, à l'expiration du délai de deux mois, l'exportation ou la mise en entrepôt des sucres raffinés n'a pas eu lieu, les droits sont immédiatement perçus avec intérêt de 3 p. % par an, à partir de la date de l'obligation, pour le retard de paiement.

Le receveur des Douanes ou des contributions indirectes, dans les mains duquel l'obligation a été souscrite, est responsable envers le trésor du recouvrement des droits.

Pour le couvrir de cette responsabilité éventuelle, ceux qui souscrivent les obligations ont à lui payer une remise de 1/6^{ème} p. %.

L'administration française se conforme, nonobstant l'expiration de cet arrangement, aux dispositions de la Convention internationale du 20 novembre 1866, en ce qui concerne le rendement légal des sucres bruts des Nos. 18 et au-dessous, en d'autres termes, pour le calcul des quantités de sucres raffinés qui doivent être représentées à la décharge des obligations souscrites pour ces sucres. La loi du 30 décembre 1875, qui a étendu le régime de l'admission temporaire aux sucres bruts au-dessus du No. 18 et aux poudres blanches, leur impose un rendement de 97 p. % de sucres raffinés *en pains*.

Voici les rendements légaux qui sont ainsi appliqués, suivant la classe des sucres :—

	Rendement légal en Sucres raffinés.	
	En pains.	Candis.
Sucres bruts au-dessous du No. 7 - - - - -	67 p. %	62
„ „ Nos. 7 à 9 - - - - -	80 p. %	74
„ „ Nos. 10 à 14 - - - - -	88 p. %	82
„ „ Nos. 14 à 19 - - - - -	94 p. %	87
„ Au-dessus du No. 18 et poudres blanches - -	97 p. %	Les sucres <i>en pains</i> sont seuls admis pour l'apurement des comptes.

Les vergeoises peuvent aussi être reçues à la décharge des obligations, mais poids pour poids et qualité pour qualité. Il est, d'ailleurs, interdit de les constituer temporairement en entrepôt. Il faut qu'elles soient exportées directement. Elles doivent, en outre, être supérieures au No. 7 (c'est-à-dire, être d'un rendement de 76 p. % ou plus) ; et, d'après les dispositions de la loi du 30 décembre 1875, elles ne sont pas admises pour l'apurement des poudres blanches et des sucres bruts au-dessus du No. 18.

RAPPORTS ENTRE LE RENDEMENT LÉGAL ET LE RENDEMENT RÉEL.

L'exportation des sucres candis est presque nulle ; celle des vergeoises n'est pas considérable ; elle s'effectue surtout à destination des contrées riveraines de la Méditerranée, et toujours poids pour poids et qualité pour qualité, comme on l'a dit plus haut. Au point de vue des avantages que le régime de l'admission temporaire peut offrir aux raffineurs pour l'approvisionnement du marché anglais, l'intérêt de la question se concentre, par conséquent, sur les sucres raffinés en pains.

Nous comparerons, pour ceux-ci, dans le tableau ci-dessous, au rendement que les sucres bruts peuvent fournir d'après l'analyse scientifique, les rendements légaux sur lesquels est basé l'apurement des obligations souscrites par les raffineurs.

Noms des catégories de Sucres bruts.	Rendements effectifs qui sont compris dans chaque catégorie.	Moyenne des rendements effectifs qui sont compris dans chaque catégorie.	Rendement légal en Sucre raffiné en pains.
Au-dessous du No. 7 -	Peuvent descendre à 60 p. % et même au-dessous, et ne doivent pas atteindre 76 p. %.	67½ p. %	67 p. %
Nos. 7 à 9 - - -	De 76 p. % inclusivement à 85 p. % exclusivement.	80 p. %	80 p. %
Nos. 10 à 14 - -	De 85 p. % inclusivement à 92 p. % exclusivement.	88 p. %	88 p. %
Nos. 15 à 18 - -	De 92 p. % inclusivement à 98 p. % exclusivement.	94½ p. %	94 p. %
Au-dessus du No. 18 et poudres blanches.	98 p. % et au-dessus - - -	98½ p. % *	97 p. %

On a supposé dans ce tableau, et tel était, en effet, le point de vue auquel le législateur avait dû se placer, que les sucres de rendements différents qu'une même catégorie *peut* comprendre s'y trouveraient en proportions sensiblement égales; que, par exemple, dans la catégorie des Nos. 7 à 9 ou trouverait également représentés chacun des rendements de 76, 77, 78, 79, 80, 81, 82, 83 et 84 p. % qui constituent cette catégorie. C'est dans cette hypothèse qu'on aurait pour rendement moyen du 7/9 comme le tableau l'indique, 80 p. %; et dans cette même hypothèse, suivant ce que le tableau indique aussi, le rendement moyen effectif de la catégorie correspondrait exactement au rendement légal. Les autres catégories présenteraient des résultats analogues: en d'autres termes, le rendement légal aurait été, dans cet ordre d'idées, l'expression du rendement effectif.

Mais les fabricants se sont appliqués à réduire le plus possible, dans chaque catégorie la proportion des sucres des rendements les plus faibles, et à accroître, au contraire, la proportion des sucres des rendements supérieurs. Pour la catégorie des Nos. 7 à 9, par exemple, il sort des fabriques de sucre indigène très peu de sucre des rendements de 76 ou de 77 p. %, tandis que les producteurs s'attachent à obtenir, sinon des sucres à 84 p. %, que des accidents de fabrication pourraient faire rentrer dans la classe des Nos. 10 à 14, du moins des sucres rendant de 82 à 83 p. %. Des combinaisons analogues se font pour les sucres de canne, sur une bien moindre échelle, toutefois. Ce n'est donc pas des rendements moyens d'une production normale qu'il y a lieu de tenir compte pour les rapprochements dont il s'agit ici. L'important c'est de savoir quel est en réalité, dans les conditions actuelles de la production, le rendement des sucres sur lesquels les raffineurs opèrent.

Il a été procédé, dans cet objet, au dépouillement de toutes les analyses (30,565 *au total*) effectuées dans les laboratoires des Douanes et des contributions indirectes pendant l'année 1878, et l'on est arrivé aux résultats ci-après:

Catégorie des Sucres bruts.	Nature des Sucres.	Rendement moyen réel d'après les Analyses des Laboratoires.
Au-dessous du No. 7 - - -	De betterave - -	72.96
	De canne - -	69.88
Nos. 7 à 9 - - -	De betterave - -	82.62
	De canne - -	81.38
Nos. 10 à 14 - - -	De betterave - -	88.95
	De canne - -	88.81
Nos. 15 à 18 - - -	De betterave - -	96.16
	De canne - -	95.20
Poudres blanches et autres sucres bruts au-dessus du No. 18 -	De betterave - -	98.28
	De canne - -	98.30

Que

* Théoriquement, les poudres blanches pourraient être pures ou presque pures, atteindre, par conséquent, et même dépasser le rendement de 99 p. %. Mais alors elles seraient livrées à la consommation sans nouvelle épuration. Celles que l'on soumet au raffinage ne rendent que 98 à 98½ p. %, et le déchet de l'opération est, au moins, de 1 p. %. La disposition de la loi du 30 décembre 1875, qui a permis le raffinage des poudres blanches pour l'exportation, au rendement de 97 p. %, est très rarement appliquée. On indiquera plus loin qu'en 1878, elle n'a eu d'effet que pour une quantité de 3,000 kilog.

Appendix, No. 5.

Que si, maintenant, on met en regard de ces rendements réels les rendements légaux, on reconnaît que ceux-ci sont tous inférieurs aux premiers; et que pour les sucres de betterave, notamment, la différence existe surtout pour les sucres des deux catégories inférieures: sucres au-dessous du No. 7 et sucres des Nos. 7 à 9.

Voici cette comparaison :

Catégorie des Sucres bruts.	Nature du Sucre.	Rendement réel.	Rendement légal.	Excédant du rendement légal sur le rendement réel.
Au-dessous du No. 7 - - - - {	De betterave -	72.96	67	5.96
	De canne -	69.88	67	2.88
Nos. 7 à 9 - - - - {	De betterave -	82.62	80	2.62
	De canne -	81.38	80	1.38
Nos. 10 à 14 - - - - {	De betterave -	88.95	88	0.95
	De canne -	88.81	88	0.81
Nos. 15 à 18 - - - - {	De betterave -	96.16	94	2.16
	De canne -	95.20	94	1.20
Poudres blanches et autres sucres bruts au-dessus du No. 18 - - {	De betterave -	98.28	97	1.28
	De canne -	98.30	97	1.30

BÉNÉFICES RÉSULTANT DU RÉGIME DE L'ADMISSION TEMPORAIRE.

Les quantités de sucre brut déclarées en 1878, pour l'admission temporaire se sont élevées à 308,727,561 kilogrammes. Mais, sur cette quantité, il a été soumis aux droits à l'échéance des obligations,* et, par conséquent, il est resté en France 94,861,270 kilogs. La quantité vraie de sucre brut qui a été raffinée en 1878 pour l'exportation a donc été de 213,866,291 kilogs.

Elle se divise comme suit:—

	Kilos.
Sucres bruts au-dessous du No. 7 - - - -	41,239,761
„ des Nos. 7 à 9 - - - -	101,286,430
„ des Nos. 10 à 14 - - - -	70,640,422
„ des Nos. 15 à 18 - - - -	696,678
„ au-dessus du No. 18 et poudres blanches	3,000
TOTAL - -	213,866,291

Le tableau ci-dessous présente comparativement :

D'une part, les quantités de sucre raffiné en pains qui ont dû suffire pour l'apurement des obligations sur la base des rendements légaux;

Et, d'autre part, les quantités de sucre raffiné que les 213,866,291 kilog. de sucre brut dont il s'agit ont pu fournir d'après leur richesse réelle.

† Dans ce cas, les raffineurs ont à payer, en sus du montant des droits, ainsi qu'on l'a dit plus haut, l'intérêt de retard, calculé à raison de 3 p. % par an.

Sucres Bruts qui ont été raffinés pour l'exportation pendant l'année 1878.			Rendement légal.		Rendement réel.		Excédant du rendement réel sur le rendement légal.
Catégorie des Sucres.	Nature des Sucres.	Quantités.	Taux du rendement légal.	Quantités de Sucre raffiné en pains, à exporter pour l'apurement des obligations.	Moyenne du rendement réel.	Quantité de Sucre raffiné qui a pu être obtenu.	
		<i>Kilos.</i>		<i>Kilos.</i>		<i>Kilos.</i>	<i>Kilos.</i>
Au-dessous du No. 7	Betterave -	29,848,097	67 p. %	19,998,225	72.96	21,777,171	1,778,946
	Canne -	11,391,664	67 p. %	7,632,415	69.88	7,960,495	328,080
Des Nos. 7 à 9	Betterave -	80,765,357	80 p. %	64,612,286	82.62	66,728,338	2,116,052
	Canne -	20,521,073	80 p. %	16,416,858	81.38	16,700,049	283,191
Des Nos. 10 à 14	Betterave -	46,362,457	88 p. %	40,798,962	88.95	41,239,405	440,443
	Canne -	24,277,965	88 p. %	21,364,609	88.81	21,561,260	196,651
Des Nos. 15 à 18	Betterave -	59,357	94 p. %	55,965	96.16	57,251	1,286
	Canne -	637,141	94 p. %	598,913	95.20	606,558	7,645
Au-dessus du No. 18 et poudres blanches	Betterave -	3,000	97 p. %	2,910	98.28	2,948	38
	Canne -	-	97 p. %	-	98.30	-	-
TOTAUX - - -		213,866,291		171,481,143		176,633,475	5,152,332

Ainsi les soumissionnaires ont été libérés de leurs obligations par l'exportation d'une quantité de sucre raffiné de - -

Kilos.
171,481,143

Ils ont, en réalité, obtenu - - - - -

176,633,475

Il est donc resté disponible - - -

5,152,332

lesquels sont entrés dans la consommation intérieure en franchise des droits.

C'est une proportion de 3 $\frac{1}{2}$ p. %.

Mais ce serait grandement se méprendre que d'admettre, comme on l'a souvent prétendu, que ce bénéfice appartient en entier aux raffineurs.

En France aujourd'hui les transactions sur les sucres ont toutes lieu sur la base du rendement au raffinage. Les sucres bruts de basse qualité, pour lesquels surtout le rendement légal est inférieur au rendement effectif, obtiennent tout, pour ce fait, un prix hors de proportion avec leur valeur réelle. Une forte part, sinon la totalité de la prime que l'insuffisance du rendement légal constitue pour ces sucres, est donc retenue par les producteurs et les importateurs.

L'opinion contraire a été émise, il est vrai, dans un rapport de l'un des commissaires anglais aux dernières conférences internationales. Il a été soutenu, dans ce rapport, que le marché anglais étant le principal marché des sucres, et ses prix servant partout de régulateur, les raffineurs français peuvent obtenir en France les sucres bruts à des prix analogues à ceux qui sont payés en Angleterre par les raffineurs anglais. Mais les faits montrent la complète inexactitude de cette opinion. Sans doute, quand il s'agit des sucres des catégories auxquelles notre régime d'admission temporaire n'accorde pas d'avantages particuliers, le marché français devient solidaire du marché anglais; les prix des deux marchés s'équilibrent, et à tel point que nos producteurs rendent en Angleterre une partie de ces sucres (56,453,009 kilog. en 1877, 41,850,920 kilog. en 1878). Mais rien de pareil ne se produit pour les sucres des qualités inférieures que favorise le régime de l'admission temporaire, ceux-ci restent en France en totalité. On en aura facilement la preuve en comparant aux quantités de sucre de betterave de basse qualité fabriquées en France pendant les dix dernières années, les déclarations d'admission temporaire auxquelles ces sucres ont donné lieu.

Voici ce relevé comparatif, que l'on a complété par l'indication du chiffre général de la production des fabriques de betterave dans la même période :—

Appendix, No. 5.

ANNÉES.	Sucres de Betterave fabriqués en France.			Déclarations d'admission temporaire pour les Sucres indigènes.*	
	Chiffre Total de la production (Sucres de toutes les catégories réunis).	Quantités afférentes aux Sucres.		Au-dessous du No. 7.	Des Nos. 7 à 9.
		Au-dessous du No. 7.	Des Nos. 7 à 9.		
	<i>Kilos.</i>	<i>Kilos.</i>	<i>Kilos.</i>	<i>Kilos.</i>	<i>Kilos.</i>
- -	238,962,586	1,388,184	13,611,172	1,367,326	18,682,654
- -	279,397,300	688,244	24,058,126	1,934,148	32,510,766
- -	334,879,214	847,360	26,141,632	4,641,411	33,662,783
- -	375,596,463	7,373,698	110,836,124	8,747,623	88,387,848
- -	416,727,139	7,649,339	115,110,621	7,704,526	106,033,356
- -	481,910,997	7,542,984	134,304,587	8,269,304	125,558,248
- -	473,017,174	6,028,369	140,022,060	6,015,270	130,354,747
- -	326,968,782	15,690,709	101,734,709	12,892,573	102,328,922
- -	345,315,039	25,069,026	58,608,054	22,995,668	60,550,106
- -	426,499,066	32,968,326	82,935,539	29,848,097	80,765,357
		103,096,839	806,862,024	104,435,946	778,830,672
TOTAUX - - -		911,959,463.		883,266,618.	

si, pendant les dix dernières années les fabriques françaises ayant produit 59,463 kilog. de sucres des basses qualités, la presque totalité de ces sucres 266,618 kilog.) a été déclarée pour l'admission temporaire. Dans cette période la action des sucres de ces catégories inférieures s'est, d'ailleurs, accrue dans une proportion considérable. Tandis que de 1869 à 1878 le chiffre général de la production n'est tout à fait doublé, nous voyons la production des sucres inférieurs s'élever de 9,356 kil. à 115,903,865 kil. (8 fois le chiffre du point de départ); elle a même, portée à 146,050,429 kilog. en 1875, année de récoltes exceptionnellement abondantes. Cette production offre donc des profits particuliers, et c'est la vente sur le marché français qui donne ces profits, puisque les sucres aident tout du No. 7 et les sucres des Nos. 7 à 9 ne s'exportant jamais: D'où la conséquence incontestable, qu'ainsi, à l'a dit plus haut, nos raffineurs achètent ces sucres à des prix supérieurs à la valeur.

maintenant il faut faire remarquer que si la législation française favorise l'exportation des sucres raffinés il existe dans d'autres pays (en Allemagne, en Belgique, et même en Autriche) des primes d'exportation pour les sucres bruts, lesquelles se justifient par un abaissement des prix de vente sur les marchés extérieurs; sur le marché anglais, principalement. Or, en France, ces sucres ne sont pas admis au raffinage à l'exportation. De fait, ce sont les raffineurs anglais qui profitent, à l'exclusion des raffineurs français, des primes allemandes, belges, et Autrichiennes. Il y trouvent-ils pas un avantage correspondant à celui que l'insuffisance des rendements légaux peut laisser aux raffineurs français? Ce qui est certain, dans tous les cas, c'est qu'à l'inverse de ce qui existe pour les raffineurs français, les raffineurs anglais peuvent obtenir leur matière première à un prix inférieur à ce qui devrait être son prix normal.

En surplus, du jour où des arrangements seraient conclus sur la base d'une complète égalité de conditions, on pourrait très facilement dégager le régime de l'admission temporaire de toute prime directe ou indirecte pour les raffineurs ou les producteurs. Il suffirait pour cela de supprimer le système des classes et d'établir les prises en charge d'après le degré de richesse constaté par les laboratoires. Des sucres bruts du rendement de 82 p. 100 rentrant aujourd'hui dans la classe des Nos. 7 à 9, dont le rendement est de 80 p. 100, l'apurement s'en opère par une exportation de 80 kilog. de sucre par 100 en pains. À l'avenir les 82 kilog. que le raffinage aurait produits devraient être comptés en totalité. Aucune portion du sucre introduit ne resterait dans la consommation intérieure avec exemption du droit. On pourrait aussi modifier, pour le calcul des rendements, les coefficients du glucose et des cendres s'il était définitivement établi qu'ils sont trop élevés. La méthode actuelle de vérification des sucres permet d'arriver à la constatation rigoureuse de leur richesse. Sans qu'aucune difficulté d'application fût à craindre; on pourrait donc mettre le régime de l'admission temporaire en concordance avec les faits, en obligeant les raffineurs à représenter tout ce que peut produire le sucre pur est livré.

En titre de complément de renseignement, on joint ici deux relevés présentant les états généraux, déjà résumés ci-dessus, des analyses des laboratoires des douanes et des contributions indirectes.

Paris, le 2 juillet 1879.

Sous le régime des types on permettait le déclassement des sucres dont la nuance avait été modifiée par séjour en entrepôt. C'est par ce motif que, dans certaines années, les quantités de sucres de basse qualité auxquelles le régime de l'admission temporaire a été appliqué, se sont trouvées supérieures aux quantités de sucres de qualité correspondante constatées au moment de la fabrication.

DIRECTION GÉNÉRALE DES DOUANES.

ANALYSE DES SUCRES.

MOYENNE des résultats obtenus dans les Laboratoires de l'Administration pendant l'Année 1878.

SUCRE DE CANNE.

CATÉGORIES.	Nombre d'analyses.	Degré Saccharimétrique.	Glucose.	Cendres.	Eau.	Inconnu.	Rendement effectif.	Rendement légal.	Quantités raffinées pour l'exportation.	OBSERVATIONS.
Au dessous du No. 7 (sucres titrant moins de 76 p. %) - - -	768	85.91	4.79	1.29	4.26	3.75	69.88	67	Kilos. 11,891,664	
Nos. 7 à 9 (sucres titrant de 76 p. % inclusivement à 85 p. % exclusivement)	1,312	91.25	2.80	0.83	2.51	2.55	81.38	80	20,521,073	
Nos. 10 à 14 (sucres titrant de 85 p. % inclusivement à 92 p. % exclusivement)	2,578	94.55	1.57	0.52	1.45	1.91	88.81	88	24,277,965	
Nos. 15 à 18 (sucres titrant de 92 p. % inclusivement à 98 p. % exclusivement)	2,695	97.36	0.58	0.20	0.62	1.24	95.20	94	637,141	
Poudres blanches et autres sucres au dessus du No. 18) - - -	155	98.96	0.18	0.06	0.32	0.48	98.80	97	Les poudres blanches de canne déclarées pour l'admission temporaire ont été soumises en totalité au paiement du droit à l'échéance des obligations.	

SUCRES DE BETTERAVE ÉTRANGERS.—(POUR MÉMOIRE.)

Au dessous du No. 7 -	3	88.95	-	2.90	4.22	3.93	74.45	-	Indication donnée pour mémoire, les sucres de betterave étrangers étant exclus du régime de l'admission temporaire. Les analyses ci-contre s'appliquent à des sucres qui ont été soumis aux droits.
Nos. 7 à 9 - - -	18	92.34	0.45	1.63	3.18	2.40	88.29	-	
Nos. 10 à 14 - - -	376	94.45	0.05	1.20	2.28	2.02	88.35	-	
Nos. 15 à 18 - - -	2	98.52	0.31	0.10	0.52	0.55	97.40	-	
Poudres blanches et autres sucres au dessus du No. 18 - - -	-	-	-	-	-	-	-	-	

RÉGIME INTÉRIEUR.

CATÉGORIES.	Quantités acquittées.	Rendement correspondant à la quotité des droits.
Au dessous du No. 13 (sucres titrant moins de 91 p. %) -	Kilos. 33,896,927	89.36
Des Nos. 13 à 20 (sucres titrant de 91 p. % inclusivement à 98 p. % exclusivement) - - -	72,146,066	93.62
Au dessus du No. 20 (sucres titrant 98 p. % et plus) - -	4,168,230	95.74

DIRECTION GÉNÉRALE DES CONTRIBUTIONS INDIRECTES.

ANALYSE DES SUCRES.

MOYENNE des résultats obtenus dans les Laboratoires de l'Administration pendant l'Année 1878.

SUCRE INDIGÈNE.

CATÉGORIES.	Nombre d'analyses.	Degrés Sacchari- métriques.	Glucose.	Cendres.	Rendement effectif.	Rendement légal.	Quantités raffinées pour l'exportation.	OBSERVATIONS.
Au dessous du No. 7 (sucres titrant moins de 76 p. %).	3,262	88.83	0.01	3.17	72.96	67	<i>Kilos.</i> 29,848,097	
Des Nos. 7 à 9 (sucres titrant de 76 p. % inclusivement à 85 p. % exclusivement).	8,584	92.62	traces	2.00	82.62	80	80,765,357	
Des Nos. 10 à 14 (sucres titrant de 85 p. % inclusivement à 92 p. % exclusivement).	8,806	94.90	traces	1.19	88.95	88	46,362,456	
Des Nos. 15 à 18 (sucres titrant de 92 p. % inclusivement à 98 p. % exclusivement).	1,139	98.02	0.005	0.37	96.16	94	59,537	
Poudres blanches (sucres titrant 98 p. % et plus).	867	98.98	—	0.14	98.28	97	3,000	En ce qui concerne les poudres blanches, la moyenne est établie d'après les résultats de l'analyse des sucres déclarés 15-18 par les fabricants et dont le rendement atteint 98%. Les sucres déclarés au départ comme poudres blanches ne sont pas analysés.

RÉGIME INTÉRIEUR.

CATÉGORIES.	Quantités acquittées.	Rendement corre- spondant au tarif.
Au dessous du No. 13 (sucres titrant moins de 91 p. %) -	<i>Kilos.</i> 37,011,040	89.36
Des Nos. 13 à 20 (sucres titrant de 91 p. % inclusivement à 98 p. % exclusivement).	10,327,781	93.62
Au dessus du No. 20 (sucres titrant 98 p. % au plus) - -	111,188,709	95.74

Appendix No. 6.

PAPER handed in by Mr. *Duncan*, 23 June 1879.

Appendix, No. 6.

EXTRACT from a Weekly Newspaper, entitled "The German Sugar Industry," No. 24.
Berlin, 13th June 1879.

GERMANY.

THE Committee of the Union of German Sugar Refineries has addressed the following petition to the Imperial Chancellor and the Council of the Confederation:—

"In respect of a change to be effected in the drawbacks on sugar granted on exports of sugar from the German Empire (Law of 26th June 1869, section 3), more especially in respect of removing the disadvantages arising to German refineries, in accordance with the requirements of protection of national work."

Up to the year 1864 every European State regulated the duty on sugar according to its own judgment. In 1864, England, France, Holland, and Belgium entered into a Convention, for the purpose of effecting a uniform treatment of the sugar duties, and with a view to establishing regulations according to which, although in each of these countries the unit of duty on sugar might attain various heights, yet on the export of refined sugar only a proportion of the duty paid on the raw sugar would be remitted by the drawback, so that on exporting refined sugar none of the States should pay a premium.

In order to obtain a reliable measurement of the produce obtained by refining raw sugars of various origin, those States caused experiments in refining to be carried out on neutral ground at Cologne, and on the basis of the results obtained, it was left to the option of the contracting States to effect the imposition of duty on raw sugar according to four qualities, to be distinguished by frontier colours, and which were in conformity with the experiments made, to correspond as follows:

1st class	-	-	-	-	-	-	94 per cent.
2nd "	-	-	-	-	-	-	88 "
3rd "	-	-	-	-	-	-	80 "
4th "	-	-	-	-	-	-	67 "

Thus the foundation was laid for the systematical draining of the State in favour of refineries both in Holland, and especially in France. The French refineries were first enabled, owing to the wide field of home raw-sugar manufacture open to them, to make a show of large quantities of raw sugar, which on being valued for the imposition of duty on the basis of their colour, yielded a much smaller turn-out than was warranted by the facts; which, inasmuch as the full unit rate of duty, based on the payment, was returned by drawback on the export of refined goods, constituted export premiums amounting to 10 to 15 per cent. of the rate of duty, that is to say, 4 to 6 francs per 100 kilos. of refined sugar. If, for instance, raw sugar of the 2nd class is coloured with the colour of the 4th class, only 67 per cent. of the duty is imposed instead of 88 per cent.; if raw sugar of the 1st class is so coloured as to appear in the colour of the 3rd class, 14 per cent. of the duty is saved.

On this sure profit in the export business, the French, especially the Parisian refining industry, thrived in a powerful manner. Refineries which formerly turned out 200 loaves of sugar per day, enlarged their works every year with a small portion of the profits made on the duties, by which they diminished a very material portion of the cost of production, "the interest and general expenses" of their manufacture, and found always a steadily widening market abroad for their produce, at prices rendered favourable by the export premium.

These facts have already been generally acknowledged (Memorial of the Hamburg Chamber of Commerce, 1868, by Privy Councillor Soetbeer) on the occasion of the now existing sugar laws being promulgated in 1869 by the North German Confederation.

The export of refined sugar from France, in 1869, showed an excess of 300,000 cwts. over the 1,850,000 cwts. exported in 1864.

When afterwards, in 1871, the duty on sugar in France was nearly doubled, the profits of refiners on exports rose at the same ratio; the capability of production, especially that of the Parisian refiners, continued to be steadily augmented by a portion of the profits made, and the export of refined sugars rose, in 1876, to 4,220,000 cwts.; in 1877-78, it amounted to 4,283,000 cwts.; and now, from 1st September 1878 to end of March 1879, it is 2,451,560 cwts.

The enormous trade of the French refineries, having a daily production of about 20,000 loaves of sugar per day each, offer to the German refining industry a most crushing competition.

Appendix, No. 6. petition. The German manufacturer can overcome this competition in foreign markets only in rare cases, and by bringing great sacrifices. Only in a few northern territories the German loaf-sugar refiners have been able to bear up against the competition of French loaf sugars; the German refined sugars have been entirely dislodged from the large English market, and neighbouring Switzerland, by French produce, kept down in price by French export premiums.

The French export premium benefits only the manufacturers of loaf sugar; other sugar produce, such as damp white, or the pale yellow sugar, which form the largest portion of the English sugar consumption, are not produced in France, as no premium is paid on the export of these. The English consumption of this article amounts to about 14,000,000 cwts., and is produced nearly exclusively in British refineries.

Nor can the German refining industry compete in these products with English refiners, drawing their supplies of *German raw sugars* from Germany, inasmuch as Germany pays a larger drawback of duty on the export of raw sugar than would be paid, proportionately, on the export of the refined sugar produced from it.

The singular manner of collecting duty on sugar practised in Germany renders it quite impossible to ascertain directly the duty actually derived from a cwt. of raw sugar of different qualities in different years.

In view of the large and favourable development, in an economical sense, which the German beetroot-sugar manufacture has taken in comparison with the French and Belgian industry, under the protection (*ægis*) of imposing the duty on beetroots by weight, we cannot decide in favour of a change in respect to this mode of assessing duty. On the other hand, well-informed representatives of the raw sugar industry do not dispute the disadvantages arising to the German refineries from the imposition of duty on beetroots.

From the results obtained by the experiments made at Charlottenburg, Professor Wichelhaus has ascertained (calculated) that the export premium on raw sugars is greater than the duty collected, that is to say, to the disadvantage of export drawbacks on refined goods.

Hence this export drawback does not so much injure the State Treasury as the German refining industry trading to foreign parts.

The German refineries consume annually, on an average, 3,600,000 to 4,000,000 cwts. of raw sugar, of which, during the last few years, about 500,000 cwts. were destined for foreign consumption.

The German refineries buy *duty-paid* raw sugars; the foreign refiner buys German raw sugars and pays the same price as the German refiner, *less* the drawback on duty granted by the State on exports of raw sugar. Hence the foreign refiner buys German raw sugars cheaper by the amount of drawback paid by the State in excess on exports of raw sugar in comparison with the drawback on refined sugars. On exports of refined sugars the German refiner receives, on the other hand, an indemnity calculated too low by this difference, and the German refining industry remains unprotected in juxtaposition with French, Belgian, and Dutch refiners, protected as they are by export premiums.

The German refining industry employs, spread over upwards of 50 establishments, a large capital, invested in buildings, fixtures, and stock. The sad results obtained, on an average, from these institutions during the last years, threaten this capital with annihilation, notwithstanding the energy and economy manifested in the management and direction of these works. Upwards of 60,000,000 marks of German capital are invested in these plants, which have all sprung up previous to the year 1871, and many years before the promulgation of the new share laws; and the craving for their preservation does certainly not appear as a call tending to procure unwarranted assistance from the State, but rather one for a just regulation of the state of taxation, corresponding to the economical requirements of preservation.

Whereas in other countries, with direct sugar taxation (such as France and Holland), sugar is dealt in free of duty, just as German sugars destined for export, on which the duty is returned immediately on their being exported; whereas the German Government credits the manufacturer of beetroot sugar half-yearly, and free of interest, with the amount of duty on beetroots; the sugar refineries of Germany are obliged to pay the duty immediately on buying the sugar, which, as can be proved, lies on an average for four to five months in the refineries previous to being sold, and, therefore, absorbs the interest both on the value of the sugar and the amount of the duty.

The augmentation of the export of German refined sugars takes place in the interest of the annually increasing raw-sugar industry. The capability for export of German raw sugars depends, materially, on the conjectures afloat respecting the English raw sugar market, whereas a strengthened German refining industry, supplying foreign markets with marketable produce, offers to the raw-sugar manufacture a sure guarantee for a more regular sale than the fluctuating conditions of the raw-sugar market. But the refining industry cannot grow strong if the drawback allowed is measured as sparingly as hitherto, allowing competition, on most markets, with the produce of foreign industries, only at a disadvantage.

The high Imperial Government have affirmed in the Reichstag (Parliament) in March last, through their Government Commissary, that the average of drawbacks corresponds with the average amount of duty collected on sugars in Germany; but the drawbacks on exports of raw sugar are too high, and on refined sugars too low, to the detriment of the refining industry, and we therefore pray this incongruity may be remedied.

Repeated mutual conferences, held by the official representatives of the beetroot sugar industry

industry and refineries of Germany, have led to the opinion, taking into consideration the approximative difference of about three marks between raw sugar fit for exportation and refined sugar, as established by Professor Wichelhaus on the basis of the refining experiments made at Charlottenburg; that the parties interested in the manufacture of raw sugar consider a diminution of the drawbacks on exports of raw sugar of *M.* 9, to be introduced simultaneously with an augmentation to *M.* 12 of the drawbacks on exports of refined sugar, not to be disadvantageous to the interests of the raw-sugar industry, while, at the same time it would be considered useful and necessary to the renewed growth of the German refining industry, and, hence, to the lasting support of the production of raw sugar by means of guaranteeing the actual work engaged in the traffic of this improved staple.

A diminution in the drawbacks on exports of raw sugar of 40 *d.* would, on 1,868,539 cwt. raw sugar, exported from 1st April 1878 to 31st March 1879, afford to the Imperial Treasury a saving of - - - - - *M.* 747,415

Less plus-premium on refined sugar exported during the said period
of 50 *d.* on 636,299 cwt., causing a plus-expenditure of - - - 268,149

Leaving still a saving to the State Treasury of - - - - - *M.* 479,266

In this case 950,000 cwt. more of refined sugars might be exported without detriment to the receipts cleared by the State hitherto.

These quantities would afford occupation to the German refineries, now partially at a standstill, thus offering permanent employment to a great number of people, without taking into consideration the advantages offered to railways, coal mines, and mechanical works by this augmented traffic.

The production of 100 kilos. raw sugar requires about *M.* 8 for wages, fuel, and expenses connected with this improved industry; hence the above-cited measures would ensure for Germany a labour traffic amounting to *M.* 3,800,000.

On these grounds the following changes are suggested to be made in Section 3 of the law of 26th June 1869:

"On exporting beyond the frontiers of the Customs Union (Zollverein), or on depositing them in a public depôt, if the quantity to be exported amounts at least to 10 cwt., the following drawbacks per cwt. shall be allowed:

"(a.) On raw sugar of, at least, 88 per cent. polarisation - - - *M.* 9

"(b.) On sugar-candy, and sugar in white entire hard loaves, of a net weight up to 25 lbs., or cut up in the presence of the Excise authorities - - - 12

"(c.) In all other hard sugars, as also on all white-dry sugar (not containing more than 1 per cent. water) in the form of crystals, crumbs, and flour (brown sugar), of a polarisation of at least 98 per cent. - - - 11

The condition of German sugar refineries has been for a long time not only an unfavourable one, but, indeed, has declined from year to year, and in fact from month to month. Certainly, if the usual means of proof in judging the development of any industry, that is to say, import and export statistics, were to be referred to, a reverse opinion would be arrived at, for, in accordance with Table 3, inserted in page 518 of this periodical, the importation of refined goods has decreased during the last few years, whereas the exportation of the same staple has increased. But these figures are not decisive ones, but represent the difference in price between raw sugars and refined goods, which latter article has, according to the statement at foot hereof,* declined during the six seasons 1872-3 to 1877-8,

				Average Prices of		Difference.
				Superfine Loaf Sugar.	Raw Sugar of 96 per Cent.	
				<i>M.</i>	<i>M.</i>	<i>M.</i>
During the Season:—1872-73				47.25	36.00	11.25
"	"	1873-74	- - -	44.50	34.00	10.50
"	"	1874-75	- - -	44.00	35.00	9.00
"	"	1875-76	- - -	40.50	29.50	11.00
"	"	1876-77	- - -	48.00	38.25	9.75
"	"	1877-78	- - -	40.25	31.00	9.25
During the Months:—September 1878				40.00	31.625	8.375
"	"	October	"	39.25	30.825	8.425
"	"	November	"	38.75	29.80	8.95
"	"	December	"	38.375	29.60	8.775
"	"	January 1879	-	37.875	29.55	8.325
"	"	February	"	37.625	30.00	7.625
"	"	March	"	37.25	29.60	7.65
"	"	April	"	36.75	29.55	7.20
"	"	May	"	36.75	29.85	6.90

from *M.* 11.25 to *M.* 9.25, and during the nine months of the latter season taken even as low as *M.* 6.90. At the same time, not a single progress worth mentioning has during that period been made in the working of these refineries, but, rather, taking again into consideration the experiments made at Charlottenburg, together with Professor Wichelhaus' hypothesis,

Appendix, No. 6. hypotheses, the loss experienced to-day is about the same as that ascertained in the refining experiments made in 1866 at Cologne.

Hence it is but too easy to understand that refiners should invoke the assistance of that authority which holds out, in perspective at least, a remedy for all evils, even to those who have not hitherto felt the hardships thereby entailed, and we, on our part, have to wish them success, all the more that, partly, we have ourselves personally most bitterly experienced the disadvantages of the refining business, and, partly, because we consider refining to be an indispensable branch of the sugar industry in general.

Nevertheless, we cannot agree to all the conclusions developed in the foregoing petition, and, in no way, to item (a) of the final motion.

Above all, we marvelled at the following sentence:—

“Professor Wichelhaus has deduced (calculated), from the experiments made at Charlottenburg, that the export premium on raw sugars is greater than the duty collected, that is to say, to the disadvantage of export drawbacks on refined goods,” inasmuch as all the refiners belonging to the Committee of Superintendence of the Charlottenburg Experiments have, in a detailed memorial, characterised the calculation made by Professor Wichelhaus as *one that cannot be acknowledged to be correct*, and shall it now form the basis of a motion for changes to be wrought in a law of taxation? We have to oppose this all the more decidedly, because the principal mistake made in the Charlottenburg experiments, namely, the omission to ascertain the *after* produce of crystal sugar, is most felt in the case of raw sugars of low polarisation. The sugars of 88 per cent., the export drawback of *M.* 9.40 on which it is usual to point out with particular predilection, just as if sugars up to 98 per cent. were not subjected to the same rate, have, during the experiments made with them at Charlottenburg, yielded an average after-produce of from 15½ to 24 per cent., and we are, therefore, in respect of a per-centage rate of like importance in relation to the yield of crystal sugars, still limited to hypothetical calculations which, even if we admit their *approximative* correctness, will certainly give a result disadvantageous to 88 per cent. sugars.

But if we are at all to submit to the calculations of Wichelhaus, we better accept the whole of them, and for this reason, we will here remind our readers, that Professor Wichelhaus states the value of raw sugars—the value of refined sugars being = 100—in the following manner:—

Value of 98 per cent. beetroot-sugar	-	-	-	-	-	92.35
” 96 ” ”	-	-	-	-	-	88.60
” 94 ” ”	-	-	-	-	-	85.50
” 92 ” ”	-	-	-	-	-	80.70
” 90 ” ”	-	-	-	-	-	75.00
” 88 ” ”	-	-	-	-	-	37.75
Average Value						85.13

Now if, in accordance with Professor Wichelhaus and the above-mentioned motion, the average tax of *M.* 9.40, collected during the five seasons 1872-73 to 1876-77, is calculated on the mean value of 85.13, as a basis for calculating the tax to be imposed on individual classes of raw sugar, it is, certainly, found that sugar of 88 per cent. is subjected to a tax of only *M.* 8.14; but then that of 94 per cent. is taxed already at *M.* 9.44, hence the drawback of duty allowed on exporting the latter is calculated too low by 4 pfennigs. Against a diminution of export drawbacks of a maximum of *M.* 1.26 on sugars of from 88 to 94 per cent., there would, therefore, have to be established an augmentation of the same, on sugars of from 94 to 98 per cent. of nearly 80 pfennigs, which can hardly be said to be disadvantageous to manufacturers of raw sugar, because sugars of 88 to 90 per cent. are scarcely ever exported at all. But such a change would not certainly be favourable to the interests of German refiners, because by this means the export of after-produce would fall of in favour of that of corn (barley?) sugar.

We are, moreover, of opinion that the measure proposed by the Refining Union, of diminishing the export drawback for raw sugars of from 88 to 98 per cent., from *M.* 9.40 to *M.* 9.00, would do them no good, because the English refiner would buy German raw sugar just so much cheaper by the amount of this difference, and the possibility (capability) of competition would remain the same as heretofore. But, on the other hand, a real amelioration would be brought about by the augmentation, proposed further on, of an export drawback on refined goods from *M.* 11.50 to *M.* 12.00, which may be justified in view of the higher export drawbacks on Austrian sugars and French refined goods, as has been shown above. We certainly seek for help, in the opposite direction, by means of a repeal, or, at least, a diminution of all premiums, to be obtained by international action; but this mode of proceeding is not only difficult, but also requires much time; whereas the position of refineries is such as seems to need speedy help.

Appendix, No. 7.

PAPER handed in by Mr. Martineau.

Appendix, No. 7.

THE SUGAR SYSTEM OF AUSTRIA-HUNGARY.

By M. F. Jacquemart, Vice President of the Central Committee of Sugar Manufacturers of France. April 1879.

In Austria the duty is not levied directly on the sugar; it is imposed on the beetroot, that is to say, on the quantity of beetroot which the Government consider ought to be worked in each sugar factory during 24 hours.

Later on we will consider this important point.

The tax is 7 florins 3 per 1,000 kilogrammes of beetroot, that is to say (according to M. Monnot, who was employed in 1878 by the central committee of sugar manufacturers to study the sugar system in Austria-Hungary) 18 fr. 25 per 1,000 kilogrammes of beetroot, the florin at par being estimated at 2½ francs.

But the paper florin being at an exchange of 48, instead of the par value of 40 for 100 francs, the tax is reduced to 15 fr. 20 for the exporter who, selling his sugars for English gold, can buy 18 fr. 25 (paper) for 15 fr. 20 (gold).

MANUFACTORIES.

In 1876-77 there were 230 manufactories in Austria.

The beetroot used, according to Government statistics, was—

In 1875-76 -	-	-	-	-	12,780,930 metrical quintals.*
In 1876-77 -	-	-	-	-	14,871,620 „ „
In 1877-78 -	-	-	-	-	22,315,355 „ „

PRODUCTION.

In estimating the consumption, the sugar produced was, according to M. Monnot :

		At 5 Kilogrammes per head.	At 4 Kilogrammes per head.
In 1875-6 -	-	2,996,880 metrical quintals.	2,596,880 metrical quintals.
In 1876-7 -	-	3,050,420 „ „	2,655,000 „ „
In 1877-8 -	-	3,454,190 „ „	3,054,000 „ „

That is to say, the Austro-Hungarian production already reaches 7-8ths of that of France. The latter has fallen off for three years (1877, 1878, 1879), and does not exceed 400 millions of kilogrammes, that is to say, 4,000,000 metrical quintals, whereas in 1875 it was 4,500,000 metrical quintals, and in 1876, 4,670,000 metrical quintals.

EXPORTATION. (M. Monnot.)

In 1875-76, 1,096,000 metrical quintals, of which 696,000 metrical quintals were raw sugar, and 400,000 refined.

In 1876-77, 1,150,000 metrical quintals, of which 770,000 metrical quintals were raw sugar, and 380,000 refined.

In

* A metrical quintal or centner = 100 kilogrammes, or 2 cwt.

APPENDIX TO REPORT FROM THE

877-78, 1,555,680 metrical quintals, of which 988,420 metrical quintals were raw and 567,260 refined.

rapid increase in the exportation, as in the manufacture, is explained by the considerable bounties given to the manufacture of beetroot sugar, bounties which, as we see, amount to 30 per cent. of the value exported.

DRAWBACK.

drawbacks per 100 kilogrammes of sugar exported, are,—

or refined sugar above 99 per cent., 27 fr. 95 per 100 kilogrammes.
or raw sugar above 90 per cent., 22 fr. 75 per 100 kilogrammes.
or raw sugar below 90 per cent., 00 fr. 00 per 100 kilogrammes.

CUSTOMS' DUTIES.

or refined sugar and sugar candy, 67 fr. 50 per 100 kilogrammes.
or white crystallized, 47 fr. 50 per 100 kilogrammes.
or raw sugar, 31 fr. 50 per 100 kilogrammes.
or molasses from the Colonies, 15 fr. 75 per 100 kilogrammes.

From these Customs' duties be deducted the internal taxes represented by the octrois, the Customs' duties are found to be :—

or refined sugar, 39 fr. 55 per 100 kilogrammes.
or white crystallized, 29 fr. 55 per 100 kilogrammes.
or raw sugar, 8 fr. 55 per 100 kilogrammes.

THE BOUNTIES.

have said that the tax is levied on the roots; the following is the manner in which assessed :—

Government estimates, that in a vessel of the capacity of one hectolitre, in order to treat the sugar therefrom, 1,100 kilogrammes of beetroots are treated in 24 hours; that in a vessel of two hectolitres twice 1,100 kilogrammes of roots are treated.

It is thus imposed for every 24 hours on as many 1,100 kilogrammes of beetroots as the apparatus contains hectolitres.

In the apparatus, the operation of which we are about to study and which are most common, we have a general capacity, the one of 126 hectolitres, these being the batteries of vessels of 14 hectolitres each, and the others of 90 hectolitres, these latter being composed of 9 diffusers of 10 hectolitres each.

It ought, therefore, to treat, during 24 hours, according to the legal estimate, in the first :— $126 \times 1,100 = 138,600$ kilogrammes of beetroots. In the second :— $90 \times 1,100 = 99,000$ kilogrammes of beetroots. These are the quantities on which the tax is levied, whatever may be the quantity really treated in the apparatus during 24 hours. We will now state what quantity is really treated.

One year our delegate, M. Monnot, returned from Austria with the conviction that a great deal of the beetroots used escaped the tax.

It is to say, that in the apparatus where 2,000 kilogrammes of beetroots ought to be according to the Government data, 3,000 kilogrammes were really treated, the tax being paid only on 2,000 kilogrammes. It is estimated that under these conditions the tax paid was 12 fr. 60 for every 100 kilogrammes exported.

When raw sugar* is exported the exporter receives a drawback of 22 fr. 75 per 100 kilogrammes; the result is, therefore, that the exporter received, in 1877-78, a bounty of 17 fr. 75 less 12 fr. 60 = 10 fr. 15 (paper) or 8 fr. 50 (gold) for every 100 kilogrammes exported, the value of which was about 50 fr. That is to say, a bounty of 17 per cent. on the value.

During the last crop, 1878-79, the art of eluding the sugar tax made fresh progress in Austria.

The following very exact results have been furnished us, from a most searching investigation recently made.

In the apparatus of 126 hectolitres, they treat now, in 24 hours, 200,000 kilogrammes of beetroots instead of the legal quantity, namely, 138,600 kilogrammes, that is to say, that they pay only 69.3 per cent. of the duty.

In the apparatus of 90 hectolitres they go still quicker. In some, 200,000 kilogrammes of beetroot are used in 24 hours, instead of the legal quantity of 99,000 kilogrammes, that is to say, that they pay only 50 per cent. of the tax. In others as many as 220,000 kilogrammes of beetroot are used in 24 hours instead of 99,000 kilogrammes, the legal quantity. In this case, therefore, they pay only 45 per cent. of the tax.

We now inquire what are the consequences of these facts.

Admitting

* This sugar must have a richness of at least 90 per cent.

Admitting that the beetroot yields 9 per cent. of sugar, that is to say, 90 kilogrammes of sugar for 1,000 kilogrammes of beetroot, this corresponds to a nominal tax in gold of 16 fr. 90 per 100 kilogrammes of sugar. (90 : 15·20 :: 100 : x = 16·90). Appendix, No. 7.

But we have just said, that there is only paid—

69·3 per cent. of the tax 16·90 in an apparatus of 126 hectolitres; that is to say, 11 fr. 70 per 100 kilogrammes of sugar:

60 per cent. in one apparatus of 90 hectolitres; that is to say, 8 fr. 45 per 100 kilogrammes of sugar:

45 per cent. in another apparatus of 90 hectolitres; that is to say, 7 fr. 60 per 100 kilogrammes of sugar.

The drawback being 22 fr. 75 on the sugar, it is obvious that in the various cases above stated the exporter receives back per 100 kilogrammes of sugar exported—

22 fr. 75, where he has only paid 11 fr. 70, therefore a bounty of 11 fr. 05.

22 fr. 75, where he has only paid 8 fr. 45, therefore a bounty of 14 fr. 30.

22 fr. 75, where he has only paid 7 fr. 60, therefore a bounty of 15 fr. 15.

Thus the Austrian bounties are 11 fr. 05, 14 fr. 30, 15 fr. 15, in Austrian money; or 9 fr. 21, 11 fr. 90, and 12 fr. 63 in gold, per 100 kilogrammes of raw sugar exported, the saleable value of which is about 50 francs; that is to say, the bounties are 18·40, 23·80, and 25·26 per cent. of the value of the sugar.

If we are accused of exaggerating the yield of sugar from the beetroot in stating it to be 9 per cent., a yield which is obtained in Prussia by less perfect processes, and which we do not think exaggerated, we will reduce it to 8 per cent.

Then 1,000 kilogrammes of beetroot, paying a tax of 15 fr. 20, will produce 80 kilogrammes of sugar. This sugar will bear a nominal tax of 19 francs, but in reality will only pay,—

69·3 per cent. of that sum, i.e.	-	-	-	-	Fr.	13	16
50 ditto - ditto - ditto	-	-	-	-		9	50
45 ditto - ditto - ditto	-	-	-	-		8	50

The bounties will be	-	-	-	-	-	Fr.	9	60
Ditto - ditto	-	-	-	-	-		13	25
Ditto - ditto	-	-	-	-	-		14	25

The whole being estimated in Austrian money.

In gold they would be respectively 8 francs, 11 fr. 64, and 11 fr. 86.

The bounties in this case would be 16·00, 22·08, and 23·72 per cent. of the value exported.

The Austrian has, moreover, the advantage of the exchange on the whole of that portion of the price of the sale which has not been employed to pay the transport, commission, &c., as we have seen above, and of the tax which ought to be repaid with interest.

Under the influence of these advantages, the manufacture of sugar has doubled in Austria in a few years, and the exportation has followed suit.

Austria produced in 1877-78, about 350,000,000 kilogrammes of sugar, of which 155,000,000 kilogrammes were exported as raw and refined sugar, to the great injury of the sugar industry of France.

How could the latter, which does not enjoy any bounty, resist such an unequal competition.

In consequence of the badness of the times this industry has declined, and, as is well known, this decline has been occasioned during several years by the fall in price caused by the bounties.

The season of 1878-79 will be disastrous.

The Austrian bounties are, without doubt, the most considerable, but they are not the only ones against which our sugar industry has to struggle.

Germany, Belgium, and other Powers give the same kind of export bounty to raw sugar as France and Holland give to refined sugar.

These are just as injurious as the others to our industry, consequently the native sugar industry demands,—

That, in all treaties of commerce which may be negotiated, measures be taken to suppress bounties on export in general. If not, one may expect to see our great agricultural industry succumb in this struggle, so strangely unequal, which it sustains not against rival industries, but against the revenues of different European States.

We will add that alcohol, as regards drawbacks, is in absolutely the same situation as sugar.

Appendix, No. 7.

THE NEW SYSTEM.

The Austrian Law of the 27th June 1878 has decided (Art. 2), that :

“ 1°. The tax on sugar must produce for the Treasury, in 1879, a net minimum of 6,000,000 florins, that is to say, at par, 15,000,000 francs.

“ 2°. This minimum will be increased each year by 500,000 florins, that is, 1,250,000 francs, until it reaches a total of 10,500,000 florins, or 26,250,000 francs.”

The tendency of this new law will be to diminish the bounties about which we have been speaking, but not to make them disappear altogether, supposing that all things remain in 1879 as they did in 1878, the total production of sugar being 350,000 tons, and the export 155,568 tons, of which 56,726 refined sugar, 98,842 raw sugar.

	Francs.
Really, the tax collected in 1877-78 on 2,320,000 tons of beetroot, at the rate of 18 fr. 25 per ton, represents a total of - - -	40,700,000
On this sum, the export has received in drawbacks: for 56,726 tons of refined sugar, at 279 francs, 15,883,000 francs - - -	} (a) 37,700,000
98,842 tons raw sugar, at 227.5 francs, 21,820 francs - - -	
The State has therefore encashed - - - - -	3,000,000
By the terms of the law it must receive net 15,000,000 francs; therefore it must claim from the sugar manufacturers - - -	12,000,000
	15,000,000
<hr/>	
The share of the export in the 12,000,000 (1) is - - - - -	5,660,000
In addition, it has paid its proportionate (2) share of the tax, that is to say - - - - -	19,200,000
<hr/>	
The export has therefore paid a total of - - - - -	24,860,000
It has received in drawbacks 37,700,000 francs. (a)	
It has therefore on the whole received in bounties - - - - -	12,840,000
	37,700,000

These bounties represent (3), for 165,000 tons, 7 fr. 78 per 100 kilogrammes of sugar exported, in Austrian money, or 6 fr. 23 (gold).

But if the exporters pay in foreign gold the 24,860,000 fr. of taxes which they have paid in to the Treasury, they will gain on that sum 4,143,000 fr., which, divided amongst the 165,000 tons exported, gives 2 fr. 51 per 100 kilogrammes.

Thus, the total bounty will be 7 fr. 78 + 2 fr. 51 = 10 fr. 29 in Austrian money, or 8 fr. 50 (gold) per 100 kilogrammes of sugar, that is to say, 17 per cent. of the value.

This will still be the bounty in 1878-79, all the other conditions remaining the same as in 1877-78.

If the proportion of the exportation to the total production should diminish, the bounty would increase; if on the contrary, the proportion should increase to 60 or 70 per cent. of the total production, the bounties would decrease.

But the same Article 2 of the aforesaid law gives a means of lessening the evil, and we trust that our representatives will know how to turn it to profit.

It says, in fact, that for the future, that is, for any succeeding revenue period, the basis of the duty may, if necessary, be modified, as has already been done on several occasions.

Thus

(1) The exportation represents 98,842 tons of raw.
66,226 - ditto - which has produced 56,726 tons of refined.

TOTAL - - - 165,068 tons of raw.

350,000 : 12,000,000 :: 165,000 : x = 5,660,000 fr.

(2) 350,000 : 40,700,000 :: 165,000 : x = 19,200,000.

(3) 165,000 : 12,840,000 :: 1 : x = 7 fr. 78.

Thus they talk of raising for 1879-80 the quantity of beetroot which ought to be treated every 24 hours, for each hectolitre of capacity, from 1,100 kilogrammes to 2,000 kilogrammes. Appendix, No. 7.

This will make 180,000 kilogrammes every 24 hours in an apparatus of 90 hectolitres ; this will not be enough, as they treat 220,000 kilogrammes.

But this basis would make a total of 252,000 kilogrammes in an apparatus of 126 hectolitres, which would be too high, as only 200,000 kilogrammes are treated in it.

A variable basis is therefore necessary, according to the capacity of the apparatus.

Admitting, however, that it may be possible to adopt a perfect system for each apparatus, there will always be a grave defect in the Austrian system.

In admitting the yield of sugar from beetroot to be 9 per cent., the tax per 100 kilogrammes of sugar becomes 20 fr. 30 if one pays in paper, and 16 fr. 90, if one pays in gold.

The drawback being 22 francs 75, there results, in the case and under the conditions above stated, a bounty of 2 fr. 45, or 5 fr. 85 paper.

This is important, the tax being 18 fr. 50 for 1,000 kilogrammes of beetroots.

We invite the attention of our representatives to this point.

It is necessary, therefore, to modify the amount of the drawback itself, so true is it that systems in which the tax falls on the raw material cannot give satisfactory results, even when frequently modified.

(signed) *F. Jacquemart*,
Vice President of the Central Committee of
Sugar Manufacturers of France.

Quessy, April 1879.

Appendix, No. 8.

Appendix, No. 8.

PAPER handed in by M. Fouquet.

(Supplementary to M. Jacquemart's Paper in Appendix, No. 7.)

THE SUGAR SYSTEM OF AUSTRIA-HUNGARY AND THE AUSTRO-HUNGARIAN BOUNTIES

In 1878-79 and 1879-80, according to the latest Official Documents.

THE TAX.

IN Austria the tax is not levied directly on the sugar, but is imposed on the beetroot, that is to say, on the quantity of beetroot which the authorities consider ought to have been worked in each manufactory during 24 hours.

We will return later to this important point.

The duty is 7 florins 3 kr., that is to say, 18 francs 25 cents. per 1,000 kilogrammes of beetroot, estimating the florin at par (2 francs 50 cents.); but as the value of the paper florin is at the rate of 48 florins instead of 40 florins (at par) per 100 francs, that duty is consequently reduced to 15 francs 20 cents. to the exporter, who, selling his sugar against English gold, can purchase 18 francs 25 cents. in paper for 15 francs 20 cents. in gold.

THE ASSESSED TAX in AUSTRIA-HUNGARY.

Austria, 1878-79:

	Florins.	Florins.
August 1878 - - - - -	23,883	
September 1878 - - - - -	4,555,547	
October 1878 - - - - -	5,076,999	
November 1878 - - - - -	4,120,846	
December 1878 - - - - -	4,203,965	
		17,981,240
January 1879 - - - - -	2,174,449	
February 1879 - - - - -	538,458	
March 1879 - - - - -	68,901	
April 1879 - - - - -	4,928	
		2,786,736
Austria - - - - - Total - - -	Fl.	20,767,276
Hungary - - 7.23 per cent. of the above - - -	Fl.	1,501,525
TOTAL, 1878-79 - - -	Fl.	22,269,501

THE TAX LEVIED in 1878-79.

We are bound to remark here, that the duty actually levied is always less than the amount assessed, on account of suspensions of work not foreseen in the assessment. That difference is estimated at 8½ to 9 per cent. of the assessed tax; for this reason the duty actually levied in 1878-79 must be reduced to 20,640,000 florins, or 51,600,000 francs.

Not having obtained the actual amount of the production of Hungary, we have estimated it, according to the admitted data, at 6.75 per cent. of the total Austro-Hungarian production, or 7.23 per cent. of the production in Austria.

If the production of Hungary were greater than above stated, it would only further tend to confirm what we are about to state. It would be necessary that it should be 25% less than the above estimate before any diminution in the bounties could take place.

THE DRAWBACKS.

The drawbacks per 100 kilogrammes of sugar exported are as follows :—

For refined sugar above 99°	- -	27 francs 95 cents.	per 100 kilogrammes.
„ raw	„ „ 90°	22 „ 75	„ „
„ „	„ under 90°	0 „ 0	„ „

THE Proportion of the Quantity of BEETROOT subjected to Duty to the Quantity of BEETROOT worked.

We have said that the duty is levied on the beetroot ; the following is the manner in which it is assessed :—

The authorities estimate that in a vessel of the capacity of 1 hectolitre there is worked, for the purpose of extracting the sugar, 1,100 kilogrammes of beetroot in 24 hours ; that in a vessel of the capacity of 2 hectolitres, twice 1,100 kilogrammes of beetroot is used. The authorities levy a duty for every 24 hours on so many times 1,100 kilogrammes of beetroot as the apparatus contains hectolitres.

The apparatuses, the process of which we now propose to follow, and which are the most in use, have a general capacity, some of 126 hectolitres ; these are batteries of 9 diffusers of the capacity of 14 hectolitres each ; and others of 90 hectolitres, which consist of batteries of 9 diffusers of the capacity of 10 hectolitres each.

Therefore, according to the legal estimate, the consumption of beetroot in the former ought to be, $126 \times 1,100 = 138,600$ kilogrammes ; and in the latter, $90 \times 1,100 = 99,000$ kilogrammes. It is upon these quantities that the duty is paid, no matter what quantities may have actually entered the apparatuses during the 24 hours.

Let us examine what are the quantities which have really been worked in them during the crop 1878-79, a period during which fresh progress has been made in the art of protecting sugar from taxation.

The following are the results obtained from a recent and most careful inquiry :

In the apparatuses of 126 hectolitres, the present consumption for 24 hours is 200,000 kilogrammes of beetroot, instead of the legal quantity, 138,600 kilogrammes ; that is to say, that only 69·3 per cent. is paid of the duty really due.

The apparatuses of 90 hectolitres capacity have worked still quicker ; thus in some, 200,000 kilogrammes of beetroot are consumed in 24 hours instead of the legal quantity 99,000 kilogrammes, that is to say, that only 50 per cent. of the duty is paid ; in others of the same capacity even 220,000 kilogrammes are consumed in the manufacture, instead of the legal quantity, 99,000 kilogrammes ; that is to say, that in this case only 45 per cent. of the duty is paid.

It may, therefore, be said that during the period 1878-79, an average of 55 per cent. only ($69\cdot3 + 50 + 45$) was paid of the duty which was really due ; but we will say 60 per cent., in order to avoid any reproach on the score of exaggeration.

This system has led to the inevitable consequence of developing the manufacture, and above all, the export of sugar upon which considerable bounties are received, amounting, as will be seen further on, in 1877-78, to 25 per cent., and in 1878-79 to 17 per cent., on the average, of the value of the sugar exported.

But on account of these circumstances, the drawbacks paid to the exporters having attained and surpassed the amount of the tax levied, it has been found necessary, in order to avoid such an unfortunate result to the Treasury for the future, to pass the law of the 27th June 1878, the 2nd Article of which enacts that—

“ 1. The tax on sugar must yield to the Treasury, in 1879, a net minimum of 6,000,000 florins, or, at par, 15,000,000 francs.

“ 2. This minimum will be augmented each year by 500,000 florins, or 1,250,000 francs, until it reaches a net total of 10,500,000 florins, or 26,250,000 francs.”

BOUNTIES in 1878-79.

Let us recall the fact, that during the year 1878-79, the tax on sugar had for its basis in Austria a weight of 1,100 kilogrammes of beetroot for every hectolitre of capacity of the apparatus and for every 24 hours ; that it was 18 francs 25 cents. in paper, or 15 francs 20 cents. in gold per 1,000 kilogrammes of beetroot ; and that the tax levied amounted to 20,640,000 florins, or about 51,600,000 francs.

This sum corresponds to 2,827,900 tons of beetroot taxed. But, as we have pointed out above, the quantity taxed was 60 per cent. below that actually worked, therefore the quantity of beetroot used in the manufacture amounted to 4,710,000 tons approximately. The total amount of sugar produced was, according as the yield of sugar from the beet be estimated at $8\frac{1}{2}$ or 9 per cent., 400 or 424 millions of kilogrammes.

According to the results known at the end of last April, the Austrian export for the present season may be estimated at—

110,000,000 kilogrammes of raw sugar,
and, 80,000,000 - ditto - refined sugar.

Under these conditions let us see what have been the Austrian bounties.

Appendix, No. 2.

BOUNTY ON RAW SUGAR.

	Fr.
Tax levied - - - - -	51,600,000
Paid in Drawbacks:	
For 80,000,000 kilogrammes of refined sugar, at 27 francs	Fr.
95 cents. per 100 kilogrammes - - - - -	22,360,000
For 110,000,000 kilogrammes of raw sugar, at 22 francs	
75 cents. per 100 kilogrammes - - - - -	25,025,000
	47,385,000
Balance in favour of the Treasury - - - - -	4,215,000
But the Treasury will have to receive <i>net</i> , in virtue of the new law - -	15,000,000
There remains, therefore, to be claimed from the whole body of sugar producers, the difference - - - - -	Fr. 10,785,000

This sum divided among the 424,000,000 kilogrammes of sugar actually produced, represents 2 francs 54 cents. in paper, and 2 francs 12 cents. in gold, per 100 kilogrammes.

The total tax yielded by the raw sugar is, therefore, as follows:—

The legal duty, admitting the yield of sugar from the beet to be 9 per cent., is 16 francs 90 cents in gold ⁽¹⁾ per 100 kilogrammes; but, as we have said, the duty actually paid is only 60 per cent. of the nominal tax, it is therefore ⁽²⁾ Fr. 10 14

To this tax must be added the supplementary tax just indicated above - 2 12

Fr. 12 26

The drawback amounts to - - - - - 22 75

Therefore the bounty for every 100 kil. of Austrian raw sugar exported in 1878-79 is:

In paper - - - - - Fr. 10 50

Or in gold - - - - - 8 75

BOUNTY ON REFINED SUGAR.

To produce 100 kilogrammes of refined sugar we will assume that 120 kilogrammes of raw sugar are required.

The duty on 100 kilogrammes of refined is therefore $12 \cdot 26 + \frac{12 \cdot 26}{5}$	Fr. c.
	14 71
The drawback is - - - - -	27 95

Therefore the bounty for every 100 kil. of Austrian refined sugar exported in 1878-79 is:

In paper - - - - - Fr. 13 24

Or in gold - - - - - 11 04

AUSTRIAN BOUNTIES in 1879-80.

In 1879-80 the basis of the Austrian tax will be raised, in virtue of the decree of the 23rd May 1879, from 1,100 kilogrammes to 1,800 kilogrammes of beetroot per hectolitre of capacity of the diffusion apparatus; moreover, the minimum of the net sum which the tax on sugar will have to yield to the Treasury will be raised, in virtue of the law in force, from 15,000,000 francs to 16,250,000 francs.

We proceed to inquire what will be the bounties on the raw and refined Austrian sugars exported under the new system for a production and exportation equal to that of 1878-79, and to show that they do not materially differ from those under the former system. This offers a most important point for study at the present time.

We must remark in the first instance that apparatus of large size, working less quickly, will become impossible.

Thus, from the apparatus of nine diffusers of 14 hectolitres each, and of a total capacity of 126 hectolitres, the duty claimed will be on $126 \times 1,800$ kilogrammes = 216,000 kilogrammes of beetroot for every 24 hours, while by a forced speed only 200,000 kilogrammes can be worked. These great apparatuses will therefore be suppressed.

Preparations are being made to replace them by apparatuses the diffusers of which shall have a capacity of ten and even eight hectolitres, in the hope of working still more rapidly than with those of 10 hectolitres, and so paying still less duty.

In 1879-80 there will therefore be in operation only small apparatuses, worked at great speed.

The

⁽¹⁾. 90 kilogrammes : 18·25 duty on 10 kilogrammes beet : : 100 : $x = 23 \cdot 30$ in paper, and 16 francs 90 cents. in gold.

⁽²⁾. In 1877-78, the duty paid was only 10 francs 14 cents., and the bounty 12 francs 60 cents. in paper, and 10 francs 50 cents. in gold.

The apparatus in which the diffusers are of 10 hectolitres, and with a general capacity of 90 hectolitres, will be taxed at $90 \times 1,800 = 162,000$ kilogrammes of beetroot per 24 hours, while they can work in that time from 200 to 220,000 kilogrammes; that is to say, that in using this apparatus only 73·6 per cent. to 81 per cent. of the duty will be paid ⁽¹⁾.

We believe that, taking into account the new and more rapid apparatus than the preceding ones, we are correct in saying that on the average there will be paid about 75 per cent. of the duty, while in 1878-79 only 60 per cent. was paid.

The total duty paid in 1878-79 is 51,600,000 francs.

This total will be increased in 1879-80, in the following proportions:—

	Francs.
The 60 per cent. of the legal tax represents - - -	51,600,000
75 per cent. will represent - - -	64,500,000
The tax levied will therefore be increased to - - -	64,500,000
We will assume an export in 1879-80 equal to that of 1878-79, namely, 80,000,000 kilogrammes of refined sugar and 110,000,000 of raw sugar; the drawbacks will, therefore, still amount to—	
For the refined sugar - $80,000,000 \times 27.95 =$	22,360,000
For the raw sugar - $110,000,000 \times 22.75 =$	25,025,000
Total payment in Drawbacks - - -	47,385,000
Therefore the receipts of the Treasury will exceed their payments by	17,115,000
This excess, according to the law, ought to be at least - - -	16,250,000

This condition being fulfilled, the Austrian Government will not have to demand a supplementary tax from the sugar manufacturers.

This point settled, let us proceed with the bounties.

BOUNTY in 1879-80 upon the EXPORTS of AUSTRIAN RAW SUGAR.

Always assuming the yield of sugar from the beet at 9 per cent., the corresponding nominal duty in gold would be 16 francs 90 cents. per 100 kilogrammes of raw sugar ⁽²⁾; but as we have shown that only 75 per cent. of the duty will be paid, the amount of the duty will be $0.75 \times 16.90 = 12$ francs 67 cents.

	Fr.	c.
The drawback being - - - - -	22	75
The duty paid - - - - -	12	67

There remains for the bounty in 1879-80 :

	Fr.	c.	
In paper money - - - - -	10	08	} per 100 kil. of raw sugar exported.
In gold - - - - -	8	40	

It will be recollected that in 1878-79 this bounty was 8 francs 75 cents in gold, a difference of only 35 cents.

BOUNTY upon the AUSTRIAN REFINED SUGAR exported in 1879-80.

We will assume that 120 kilogrammes of raw sugar is required to produce 100 kilogrammes of refined sugar.

The duty upon 100 kilogrammes of refined sugar will therefore be $12.67 + \frac{12.67}{4} = 15$ francs 20 cents.

	Fr.	c.
The drawback being - - - - -	27	95
The duty paid - - - - -	15	20

There remains for the bounty - - - - - 12 75 in paper
or - - - - - 10 63 in gold,
per 100 kilogrammes of Austrian refined sugar exported in 1879-80.

Let us compare this with the bounty in 1878-79, namely, 11 francs 04 cents. in gold, a difference of only 41 cents.

It is important to observe that the considerable increase in the rate of the duty hardly diminishes the amount of the bounties. It is easily understood that the higher the duty

(1). $220 : 162 :: 100 : x = 73.6$ } Average : 77.3.
 $200 : 162 :: 100 : x = 81$ }

(2). $90 : 15 \text{ francs } 20 \text{ cents. tax in gold on } 1,000 \text{ kilogrammes of beet} :: 100 : x = 16 \text{ francs } 90 \text{ cents. in gold.}$

APPENDIX TO REPORT FROM THE

d in the first instance, the less will be the duty levied in the second instance, to the net minimum demanded by the Treasury, and that, in fact, the necessity for a supplementary application may disappear altogether, as appears in the pre-

jects of the surcharge are therefore lessened by what is withheld from the

(signed) *Fred. Jacquemart*,
Vice President of the Central Committee of the
Sugar Manufacturers of France.

29 June 1879.

If the yield of sugar from the beet became reduced to 8·5 per cent., the nominal 100 kilogrammes of sugar would be 21 francs 46 cents. in paper, or 17 francs in gold, and the actual duty paid would be $0\cdot75 \times 17\cdot90 = 13$ francs 40 cents., 12 francs 67 cents.; that is to say, that the bounty on the raw sugar would 70 cents. in paper, or 60 cents. in gold, and descend to 7 francs 80 cents. in the bounty on refined sugar would, under those circumstances, be reduced in paper, and 73 cents. in gold, and thus descend to 9 francs 90 cents. in gold.

Appendix, No. 9.

Appendix, No. 9.

PAPER handed in by Mr. Martineau.

GERMAN EXPORTS.

	Raw and Refined.		Raw and Refined.
	Tons.		Tons.
1 Sept. 1873 to 31 Aug. 1874 -	24,212	1 Sept. 1876 to 31 Aug. 1877 -	60,588
1 Sept. 1874 to 31 Aug. 1875 -	8,844	1 Sept. 1877 to 31 Aug. 1878 -	98,925
1 Sept. 1875 to 31 Aug. 1876 -	49,847	1 Sept. 1878 to 31 May 1879 -	114,506

About 25,000 tons of the present total is refined.

EXPORTS FROM FRANCE.

	Raw.	Refined.		Raw.	Refined.
	Tons.	Tons.		Tons.	Tons.
1871 - - -	109,000	86,000	1875 - - -	92,000	215,000
1872 - - -	96,000	141,000	1876 - - -	43,000	186,000
1873 - - -	68,000	153,000	1877 - - -	60,000	154,000
1874 - - -	111,000	185,000	1878 - - -	46,000	166,000

EXPORTS FROM HOLLAND.

	Refined.	Raw.		Refined.	Raw.
	Tons.	Tons.		Tons.	Tons.
1872 - - -	98,000	—	1876 - - -	75,000	28,000
1873 - - -	88,000	—	1877 - - -	64,000	16,000
1874 - - -	88,000	—	1878 - - -	64,000	20,000
1875 - - -	79,000	17,000			

EXPORTS FROM BELGIUM.

	Raw.	Loaf.	Candy.
	Tons.	Tons.	Tons.
1876 - - - -	58,000	4,500	5,600
1877 - - - -	47,000	1,900	4,200
1878 - - - -	58,000	3,700	4,800

AUSTRIAN EXPORTS.

	Raw.	Refined.
	Tons.	Tons.
1 August 1874 to 31 July 1875 - -	26,400	29,998
1 August 1875 to 31 July 1876 - -	60,933	39,887
1 August 1876 to 31 July 1877 - -	68,371	38,563
1 August 1877 to 31 July 1878 - -	98,844	56,730
1 August 1878 to 30 June 1879 - -	107,835	74,915

Appendix, No. 10.

PAPER handed in by M. Charles Fouquet, 11 July 1879.

Paris, le 20 Juin 1879.

LES soussignés, raffineurs de sucre a Paris, tout en conservant contre le système de l'exercice la répugnance justifiée qui a d'ailleurs été rencontrée dans tous les autres pays : Mais, désirant avant tout contribuer autant qu'il dépendra d'eux de préserver l'industrie sucrière française de la ruine dont la menacent les primes actuellement accordées par différents Etats à l'exportation du sucre brut et du sucre raffiné : Voulant aussi obtenir pour eux-mêmes la faculté dont jouissent tous leurs concurrents étrangers d'alimenter leurs établissements avec des produits de l'Europe ou venant des entrepôts européens, sans être, comme ils le sont aujourd'hui en France seulement, frappés d'une surtaxe, —

Adhèrent à la note rédigée par les fabricants de sucre de betterave, et transcrite ci-dessous ; Et pour éviter toute équivoque, ils croient devoir mettre en relief les trois points suivants de cette note qui ont été pour eux la condition *sine qua non* de leur résolution :

1° Les mesures indiquées dans cette note forment un tout indivisible, et ne pourront être appliquées que dans leur ensemble et non séparément ; elles seront identiquement les mêmes dans tous les Etats ;

2° La taxe non remboursable qui devra frapper les sucres bruts et raffinés des Etats non contractants, sera la même chez tous les contractants, et sera égale, pour chaque provenance, à la prime d'exportation apparente ou déguisée qui sera jugée exister ;

3° L'exercice se bornera aux constatations d'entrée et de sortie, et laissera toute liberté aux opérations intérieures, afin de respecter le secret des procédés de fabrication.

(signed) Cronier,
L'administrateur délégué de la Raffinerie C. Say.
A. Guillon.
A. Sommier.
Lebaudy frères.
Jeanti & Prevost.

NOTE.

Le but à atteindre est la suppression de toutes les primes sur le sucre dans tous les pays. Pour atteindre ce but, il faut une convention internationale dont voici les bases :

Dans les pays co-contractants où il existe un impôt sur le sucre, la fabrication et le raffinage auront lieu en entrepôt, c'est-à-dire sous la surveillance des agents de l'Etat.

L'impôt ne sera perçu qu'au moment où le sucre sera livré à la consommation. Il n'y aura lieu à aucun drawback à l'exportation.

Il n'y aura aucune surtaxe sur les sucres originaires des pays signataires de la convention.

Les pays co-contractants s'engagent à frapper d'une taxe uniforme à l'entrée (taxe qui ne pourra jamais être remboursée) les sucres originaires ou venant des pays non-signataires de la convention où il existe un impôt sur le sucre.

F R A N C E.

EXPORTATIONS DES SUCRES.

1871	-	-	-	-	Bruts	-	-	109,376 tonnes	} 195,964 tonnes.
					Raffinés	-	-	86,588 "	
1872	-	-	-	-	Bruts	-	-	96,631 "	} 237,821 "
					Raffinés	-	-	141,120 "	
1873	-	-	-	-	Bruts	-	-	68,261 "	} 221,446 "
					Raffinés	-	-	153,185 "	
1874	-	-	-	-	Bruts	-	-	111,247 "	} 296,890 "
					Raffinés	-	-	185,643 "	
1875	-	-	-	-	Bruts	-	-	92,358 "	} 308,020 "
					Raffinés	-	-	215,662 "	
1876	-	-	-	-	Bruts	-	-	43,166 "	} 229,975 "
					Raffinés	-	-	186,809 "	
1877	-	-	-	-	Bruts	-	-	60,090 "	} 214,507 "
					Raffinés	-	-	154,417 "	
1878	-	-	-	-	Bruts	-	-	46,260 "	} 212,883 "
					Raffinés	-	-	166,623 "	

Appendix, No. 11.

PAPER handed in by Mr. *Duncan*.

QUANTITIES of SUGAR imported from the BRITISH WEST INDIES into the UNITED
KINGDOM for the following Years :—

	<i>Tons.</i>		<i>Tons.</i>
1843 - - - - -	125,485	1861 - - - - -	184,391
1844 - - - - -	122,638	1862 - - - - -	193,008
1845 - - - - -	142,699	1863 - - - - -	180,681
1846 - - - - -	107,367	1864 - - - - -	161,314
1847 - - - - -	159,990	1865 - - - - -	176,593
1848 - - - - -	139,799	1866 - - - - -	218,485
1849 - - - - -	141,994	1867 - - - - -	187,074
1850 - - - - -	129,321	1868 - - - - -	205,821
1851 - - - - -	153,239	1869 - - - - -	164,904
1852 - - - - -	170,431	1870 - - - - -	176,448
1853 - - - - -	142,152	1871 - - - - -	211,581
1854 - - - - -	172,159	1872 - - - - -	172,628
1855 - - - - -	145,468	1873 - - - - -	195,435
1856 - - - - -	140,358	1874 - - - - -	187,637
1857 - - - - -	146,925	1875 - - - - -	237,015
1858 - - - - -	174,255	1876 - - - - -	214,153
1859 - - - - -	156,326	1877 - - - - -	181,078
1860 - - - - -	168,427	1878 - - - - -	191,960

Appendix, No. 12.

PAPER handed in by Mr. Hogg.

COMPARATIVE VALUE of Fair Refining WEST INDIA MUSCOVADO SUGAR, on the 1st of each Month during the Years 1858 to 1879.

	YEARS										
	1858.	1859.	1860.	1861.	1862.	1863.	1864.	1865.	1866.	1867.	1868.
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
January -	25 4	28 4	27 4	27 4	22 10	20 4	29 10	24 2	25 8	22 2	23 11
February -	28 4	28 10	27 10	25 4	22 10	20 4	29 4	22 2	23 8	23 2	22 11
March -	28 4	28 10	27 10	24 4	23 10	20 4	30 10	22 2	23 2	22 2	23 11
April -	27 4	29 4	26 10	24 10	23 4	20 4	31 4	21 8	22 2	21 2	22 8
May -	27 10	28 7	26 4	25 10	21 10	20 4	31 8	22 8	21 8	21 2	24 11
June -	27 4	27 4	25 4	24 4	21 10	19 10	31 8	23 2	20 8	20 8	25 7
July -	26 10	28 4	25 4	22 10	20 10	19 10	30 8	23 2	20 8	22 11	23 5
August -	27 10	27 10	26 4	22 4	21 10	19 10	29 2	23 2	21 8	22 5	24 5
September -	29 4	26 10	26 4	22 4	22 4	20 10	29 2	23 2	21 8	21 11	23 5
October -	28 10	25 10	26 10	23 10	22 4	20 10	25 8	26 2	21 8	22 11	24 5
November -	28 4	25 4	28 4	23 10	21 4	24 10	23 8	26 2	21 2	23 7	24 5
December -	28 4	25 10	28 4	23 10	20 4	29 10	23 8	25 8	22 2	24 5	24 5
AVERAGE -	27 10	27 7½	26 11	24 3	22 1½	21 5½	28 10½	23 7½	22 2	22 4½	24 -½

	YEARS										
	1869.	1870.	1871.	1872.	1873.	1874.	1875.	1876.	1877.	1878.	1879.
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
January -	23 11	26 10	24 9	27 3	25 9	22 1	23 -	21 -	30 -	20 -	19 6
February -	24 5	26 5	26 9	27 3	24 9	22 1	22 6	20 6	28 -	20 6	19 -
March -	26 11	25 11	26 9	26 3	23 6	21 7	22 -	20 -	28 -	20 6	18 6
April -	24 8	23 5	25 -	25 3	22 6	20 -	21 -	18 -	26 -	20 -	17 6
May -	25 5	25 3	26 9	28 3	22 9	21 7	22 6	20 -	28 -	20 6	-
June -	25 11	24 3	27 9	28 9	23 1	23 -	22 -	20 -	28 6	20 -	-
July -	25 5	22 9	27 3	28 3	23 1	23 -	21 6	20 6	28 -	21 -	-
August -	26 5	22 3	25 9	27 3	22 7	22 -	21 -	21 -	26 6	21 6	-
September -	26 11	21 9	25 9	26 3	22 7	23 -	21 -	21 6	24 -	20 6	-
October -	26 11	22 9	24 9	26 3	22 7	23 6	20 6	22 -	24 6	20 -	-
November -	26 11	23 9	23 9	25 9	22 7	23 6	21 -	25 -	23 6	20 6	-
December -	26 5	23 9	27 3	25 9	22 1	23 -	21 -	30 -	21 6	20 6	-
AVERAGE -	25 10½	24 1	26 3½	26 10½	23 2	22 4½	21 7	21 7½	26 4½	20 5½	18 7½

EXPORTS of SUGAR from *Cuba* and the *British West Indies*.

Exports of Sugar.	Cuba.	British West Indies.	Exports of Sugar.	Cuba.	British West Indies.
	<i>Tons.</i>	<i>Tons.</i>		<i>Tons.</i>	<i>Tons.</i>
1844 - - -	201,900	131,620	1862 - - -	No figures -	193,542
1845 - - -	95,000	141,430	1863 - - -	506,000	194,000
1846 - - -	197,500	111,750	1864 - - -	575,000	170,214
1847 - - -	268,480	170,280	1865 - - -	620,000	190,162
1848 - - -	No figures -	134,000	1866 - - -	612,000	228,625
1849 - - -	199,430	142,000	1867 - - -	597,000	203,778
1850 - - -	208,700	126,700	1868 - - -	749,000	233,880
1851 - - -	309,990	141,792	1869 - - -	726,000	197,014
1852 - - -	281,800	158,000	1870 - - -	725,000	218,226
1853 - - -	332,230	145,500	1871 - - -	547,000	254,172
1854 - - -	352,124	156,000	1872 - - -	690,000	199,693
1855 - - -	376,635	150,000	1873 - - -	738,000	201,256
1856 - - -	358,585	148,000	1874 - - -	666,000	230,200
1857 - - -	350,000	161,624	1875 - - -	699,900	268,400
1858 - - -	375,000	175,422	1876 - - -	566,266	249,400
1859 - - -	390,000	164,520	1877 - - -	500,000	246,615
1860 - - -	415,000	177,000	1878 - - -	-	230,000
1861 - - -	No figures -	189,842			

IMPORTS of SUGAR into the UNITED KINGDOM from the *British West Indies* and *Guiana*.

	<i>Cwts.</i>	<i>Tons.</i>		<i>Cwts.</i>	<i>Tons.</i>
1825 - - -	3,501,281	175,064	1834 - - -	3,844,244	192,212
1826 - - -	4,902,426	200,121	1835 - - -	3,523,948	176,197
1827 - - -	3,550,918	177,545	1836 - - -	3,600,517	180,025
1828 - - -	4,313,430	215,671	1837 - - -	3,305,238	165,261
1829 - - -	4,152,815	207,640	1838 - - -	3,521,434	176,071
1830 - - -	3,913,268	195,663	1839 - - -	2,823,931	141,196
1831 - - -	4,103,746	205,187	1840 - - -	2,202,883	110,141
1832 - - -	3,784,245	189,212	1841 - - -	2,145,500	107,275
1833 - - -	3,655,612	182,780	1842 - - -	2,508,910	125,445

SUGAR EXPORTS from *British Guiana* to the UNITED KINGDOM.

	<i>Tons.</i>		<i>Tons.</i>		<i>Tons.</i>		<i>Tons.</i>
1831 -	46,211	1843 -	25,994	1855 -	44,808	1867 -	70,632
1832 -	43,529	1844 -	27,181	1856 -	41,607	1868 -	76,773
1833 -	42,800	1845 -	30,983	1857 -	47,766	1869 -	64,895
1834 -	38,910	1846 -	16,287	1858 -	47,917	1870 -	81,138
1835 -	44,343	1847 -	31,784	1859 -	44,830	1871 -	89,318
1836 -	53,892	1848 -	35,166	1860 -	50,918	1872 -	76,146
1837 -	47,169	1849 -	28,947	1861 -	58,347	1873 -	81,365
1838 -	41,765	1850 -	26,398	1862 -	52,994	1874 -	84,226
1839 -	28,342	1851 -	35,444	1863 -	65,539	1875 -	79,897
1840 -	28,983	1852 -	44,700	1864 -	62,892	1876 -	102,026
1841 -	25,266	1853 -	45,423	1865 -	73,330	1877 -	93,794
1842 -	23,262	1854 -	45,856	1866 -	78,081		

Note.—Since 1850 the the total exports are given. In previous years the exports to United Kingdom practically represent the total exports.

Appendix, No. 13.

PAPER handed in by Mr. N. Lubbock.

of SUGAR into the UNITED KINGDOM for the Years 1862 and 1868, and for the Years 1871 to 1878.

YEAR 1862.

	<i>Tons.</i>
al Beet Sugar, Raw and Refined - - - - -	40,466
ane Sugar, including Slave - - - - -	219,756
ne Sugar, Eastern Possessions, &c. - - - - -	56,950
ne Sugar, West Indies and Guiana - - - - -	193,238
TOTAL IMPORTS - - - Tons	510,410

YEAR 1868.

	<i>Tons.</i>
al Beetroot Sugar, Raw and Refined - - - - -	80,039
ane Sugar, including Slave - - - - -	281,357
ne Sugar, East Indian, &c. - - - - -	56,543
est Indies and Guiana - - - - -	207,860
TOTAL IMPORTS - - - Tons	625,799

YEAR 1871.

	<i>Tons.</i>
al Beet Sugar, Raw and Refined - - - - -	232,850
ne Sugar, including Slave - - - - -	198,045
ne Sugar, Eastern Possessions and Africa - - - - -	44,803
est Indies and Guiana - - - - -	213,114
TOTAL IMPORTS - - - Tons	688,812

YEAR 1872.

	<i>Tons.</i>
al Beet Sugar :	
sd - - - - - Tons 85,960	
- - - - - 97,982	
	183,942
ane Sugar, including Slave - - - - -	334,382
ne, Eastern Possessions and Africa - - - - -	84,182
est Indies and Guiana - - - - -	172,792
TOTAL IMPORTS - - - Tons	775,298

IMPORT of SUGAR into the UNITED KINGDOM for the Years 1862 and 1868, &c.—*continued.*

YEAR 1873.

										Tons.
Continental Beet Sugar :										
Refined	-	-	-	-	-	-	-	-	Tons	110,578
Raw	-	-	-	-	-	-	-	-	-	105,323
										215,901
Foreign Cane Sugar, including Slave										354,959
British Cane Sugar, Eastern Possessions, &c.										63,596
British West Indies and Guiana										191,282
TOTAL IMPORTS										825,738

YEAR 1874.

										Tons.
Continental Beet Sugar, Raw and Refined										251,401
Foreign Cane Sugar, including Slave										343,970
British Cane Sugar, including Eastern Possessions, South Africa, and Countries unenumerated										60,095
British West Indies and Guiana										186,901
TOTAL IMPORTS										842,367

YEAR 1875.

										Tons.
Continental Beet Sugar:										
Refined	-	-	-	-	-	-	-	-	Tons	128,334
Raw	-	-	-	-	-	-	-	-	-	109,649
										237,983
Foreign Cane Sugar, including Slave										421,318
British Cane Sugar, Eastern Possessions, Africa, &c.										59,841
British West Indies and Guiana										237,130
TOTAL IMPORTS										956,272

YEAR 1876.

										Tons.
Continental Beet Sugar:										
Refined	-	-	-	-	-	-	-	-	Tons	126,947
Raw	-	-	-	-	-	-	-	-	-	154,591
										281,538
Foreign Cane Sugar, including Slave										357,532
British Cane Sugar, including Eastern Possessions, Africa, Honduras, and Countries unenumerated										72,495
British West Indies and Guiana										208,865
TOTAL IMPORTS										920,430

YEAR 1877.

										Tons.
Continental Beet Sugar:										
Refined	-	-	-	-	-	-	-	-	Tons	155,464
Raw	-	-	-	-	-	-	-	-	-	147,064
										302,528
Foreign Cane Sugar, including Slave										399,863
British Cane Sugar, including Eastern Possessions, Africa, Honduras, and Countries not stated										120,090
British West Indies and Guiana										180,057
TOTAL IMPORTS										1,002,538

IMPORTS of SUGAR into the UNITED KINGDOM for the Years 1862 and 1868, &c.—continued.

YEAR 1878.		
Beet Sugar:		<i>Tons.</i>
and	- - - - - <i>Tons</i> 163,853	
- - - - -	179,075	
		342,938
and Sugar, including Slave	- - - - -	314,956
and Sugar, East India Possessions, Africa, &c.	- - - - -	60,761
and East Indies and Guiana	- - - - -	191,959
TOTAL IMPORTS - - - <i>Tons</i>		910,614

PRODUCTION of Beet Sugar.

	1868.	1869.	1870.	1871.
	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>
- - - - -	230,000	210,000	280,000	288,000
- - - - -	82,000	87,000	43,000	55,000
- - - - -	8,243	10,000	11,000	14,000
- - - - -	165,000	208,000	215,000	282,000
- - - - -	125,000	101,000	150,000	182,000
- - - - -	112,000	87,000	132,000	105,000
TOTAL - - - <i>Tons</i>	672,000	653,000	840,000	906,000
Or an average of 767,000 tons for the four years.				
	1872.	1873.	1874.	1875.
	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>
- - - - -	335,000	408,000	386,000	450,000
- - - - -	72,000	78,000	70,000	71,000
- - - - -	16,000	22,000	26,000	20,000
- - - - -	180,000	258,000	280,000	250,000
- - - - -	161,000	215,000	170,000	158,000
- - - - -	90,000	150,000	150,000	222,000
TOTAL - - - <i>Tons</i>	863,000	1,129,000	1,101,000	1,171,000
Or an average for the four years of 1,016,000 tons.				
	1876.	1877.	1878.	1879. (Estimated.)
	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>
- - - - -	462,000	243,000	390,000	400,000
- - - - -	81,000	45,000	65,000	70,000
- - - - -	26,000	19,000	25,000	30,000
- - - - -	346,000	291,000	385,000	395,000
- - - - -	208,000	247,000	330,000	345,000
- - - - -	845,000	250,000	220,000	225,000
TOTAL - - - <i>Tons</i>	1,368,000	1,095,000	1,415,000	1,465,000
Average for the four years, 1,336,000 tons, against an average of 767,000 tons in 1868-71.				

AVERAGE PRICES CURRENT of CLAYED MANILLA SUGAR, from the Year 1858 to the Year 1878.

Average of 8 Years.	Average of 8 Years.	Average of 8 Years.	Average of 8 Years.
1866.	1867.	1868.	1869.
<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>
1858 - - - 25 2	1859 - - - 24 9	1860 - - - 25 6	1861 - - - 22 -
1859 - - - 24 9	1860 - - - 25 6	1861 - - - 22 -	1862 - - - 20 11
1860 - - - 25 6	1861 - - - 22 -	1862 - - - 20 11	1863 - - - 20 2
1861 - - - 22 -	1862 - - - 20 11	1863 - - - 20 2	1864 - - - 25 8
1862 - - - 20 11	1863 - - - 20 2	1864 - - - 25 8	1865 - - - 21 3
1863 - - - 20 2	1864 - - - 25 8	1865 - - - 21 3	1866 - - - 19 2
1864 - - - 25 8	1865 - - - 21 3	1866 - - - 19 2	1867 - - - 20 4
1865 - - - 21 3	1866 - - - 19 2	1867 - - - 20 4	1868 - - - 21 1
8)186 2	8)179 5	8)175 -	8)170 7
Average 8 years - 23 3	Average 8 years - 22 5	Average 8 years - 21 10½	Average 8 years - 21 4
Price in 1866 - 19 2	Price in 1867 - 20 4	Price in 1868 - 21 1	Price in 1869 - 21 4½
Difference - - 4 1	Difference - - 2 1	Difference - - - 9½	Difference - - Nil.
Against 1866.	Against 1876.	Against 1866.	
Average price for 3 years - - -		1866-68 - - - 20 2½	1867-69 - - - 20 11½
Average of 8 Years.	Average of 8 Years.	Average of 8 Years.	Average of 8 Years.
1870.	1871.	1872.	1873.
<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>
1862 - - - 20 11	1863 - - - 20 2	1864 - - - 25 8	1865 - - - 21 3
1863 - - - 20 2	1864 - - - 25 8	1865 - - - 21 3	1866 - - - 19 2
1864 - - - 25 8	1865 - - - 21 3	1866 - - - 19 2	1867 - - - 20 4
1865 - - - 21 3	1866 - - - 19 2	1867 - - - 20 4	1868 - - - 21 1
1866 - - - 19 2	1867 - - - 20 4	1868 - - - 21 1	1869 - - - 21 5
1867 - - - 20 4	1868 - - - 21 1	1869 - - - 21 5	1870 - - - 19 2
1868 - - - 21 1	1869 - - - 21 5	1870 - - - 19 2	1871 - - - 21 1
1869 - - - 21 5	1870 - - - 19 2	1871 - - - 21 1	1872 - - - 22 8
8)170 -	8)168 3	8)169 2	8)166 2
Average 8 years - 21 3	Average 8 years - 21 -½	Average 8 years - 21 1½	Average 8 years - 20 9½
Price in 1870 - 19 2	Price in 1871 - 21 -½	Price in 1872 - 22 7½	Price in 1873 - 19 6
Difference - - 2 1	Difference - - Nil.	Difference - - 1 5½	Difference - - 1 3½
Against 1870.		Favour of 1872.	Against 1873.
1868-70 - - - 20 6½	1869-71 - - - 20 6½	1870-72 - - - 20 11½	1871-73 - - - 21 -½

Appendix, No. 13.

AVERAGE PRICES CURRENT OF CLAYED MANILLA SUGAR, from the Year 1858, &c.—continued.

Average of 8 Years.				Average of 8 Years.				Average of 8 Years.			
1874.				1875.				1876.			
	s.	d.			s.	d.			s.	d.	
-	19	2	1867	-	20	4	1868	-	21	1	
-	20	4	1868	-	21	1	1869	-	21	5	
-	21	1	1869	-	21	5	1870	-	19	2	
-	21	5	1870	-	19	2	1871	-	21	1	
-	19	2	1871	-	21	1	1872	-	22	8	
-	21	1	1872	-	22	8	1873	-	19	6	
-	22	8	1873	-	19	6	1874	-	18	10	
-	19	6	1874	-	18	10	1875	-	18	-	
	8)164	5			8)164	1			8)161	9	
years	20	6½	Average 8 years	20	6		Average 8 years	20	2½		
1874	18	10½	Price in 1875	18	-½		Price in 1876	18	7½		
-	1	8½	Difference	2	5½		Difference	1	7½		
at 1874.			Against 1875.				Against 1876.				
-	20	3½	1873-75	18	9½		1874-76	18	6		
Average of 8 Years.				Average of 8 Years.				Average of 8 Years.			
1877.				1878.				1879.			
	s.	d.			s.	d.			s.	d.	
-	21	5	1870	-	19	■	1871	-	21	1	
-	19	2	1871	-	21	1	1872	-	22	8	
-	21	1	1872	-	22	■	1873	-	19	6	
-	22	8	1873	-	19	6	1874	-	18	10	
-	19	6	1874	-	18	10	1875	-	18	-	
-	18	10	1875	-	18	-	1876	-	18	7	
-	18	-	1876	-	18	7	1877	-	22	4	
-	18	7	1877	-	22	■	1878	-	17	7	
	8)159	8			8)160	2			8)158	7	
years	19	11	Average 8 years	20	-½		Average 8 years	19	9½		
1877	22	4½	Price in 1878	17	6½						
-	2	5½	Difference	2	5½						
at 1877.			Against 1878.				Price on				
-	19	8	1876-78	19	■		14th June 1879	} 16s. 6d. to 17s.			

Appendix, No. 14.

PAPER handed in by Mr. Lubbock.

OVERZICHT der PRODUCTIE van RUWE SUIKER gedurende de Jaren 1853 tot 1878 (in Tons), grootendeels zamengesteld uit Officieële Opgaven, door Rueb & Ledeboer, Rotterdam.

JAAR.	Java en Madura.	Suriname.	Cuba.	Manilla.	Portorico.	Brazilië.	Mauritius.	Engelsch Indië.	Natal.	Jamaica.	Barbados.	Trinidad.
	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.
1853	100,000	16,520	322,025	40,000	111,975	138,000	80,811	61,000	-	21,361	25,566	24,010
1854	100,000	16,883	373,636	50,000	66,364	85,000	101,461	40,000	-	28,347	31,216	25,028
1855	97,000	16,935	391,623	55,000	58,377	106,000	110,254	36,000	1	26,119	27,302	21,712
1856	117,000	16,181	348,387	65,000	82,000	88,000	113,736	64,810	12	23,241	30,205	27,972
1857	102,288	15,943	355,000	45,469	85,000	109,000	111,236	79,605	41	27,895	25,948	29,041
1858	122,405	12,584	384,557	32,415	69,444	85,000	103,614	48,828	115	31,799	36,237	34,143
1859	123,972	12,638	536,021	60,000	58,000	120,000	118,949	57,595	294	27,504	28,242	28,742
1860	117,847	16,688	447,349	63,000	57,000	56,927	110,848	43,645	1,236	30,437	30,356	30,288
1861	122,235	15,877	465,585	60,000	67,000	176,000	135,612	42,928	776	33,234	45,055	30,859
1862	139,898	16,388	525,230	82,000	68,000	118,000	111,673	35,966	858	31,215	31,614	41,307
1863	125,287	13,683	506,860	83,151	63,000	238,280	158,209	13,894	1,317	28,444	29,583	37,421
1864	139,759	10,220	575,090	61,235	61,590	237,898	121,792	-	4,221	26,517	25,927	34,554
1865	125,858	7,806	619,780	52,270	63,375	135,109	129,581	24,213	3,765	24,547	33,046	31,359
1866	133,947	9,278	612,180	52,648	64,417	150,018	120,751	21,738	3,303	30,492	38,868	45,575
1867	123,666	10,582	597,146	61,977	68,229	95,290	106,741	11,179	3,607	26,281	37,624	46,413
1868	151,707	11,296	749,389	71,117	73,935	113,352	116,534	5,892	4,733	32,352	40,005	46,519
1869	180,266	9,800	726,237	68,817	81,500	103,078	78,227	24,495	7,617	24,950	22,455	52,044
1870	120,783	11,154	725,505	78,220	102,110	101,509	132,129	19,634	5,408	21,846	27,752	45,866
1871	201,928	11,854	547,441	87,400	103,304	143,975	90,427	17,524	8,872	26,296	37,762	60,023
1872	207,842	12,291	711,795	91,701	89,559	157,809	124,806	21,279	7,097	24,888	27,516	*51,546
1873	167,298	12,525	796,179	82,942	101,190	136,000	126,446	34,087	7,210	19,899	26,266	48,206
1874	235,000	12,525	638,742	100,714	81,000	121,000	116,825	17,126	6,935	19,879	40,199	41,126
1875	222,000	-	700,513	122,000	72,188	148,000	85,000	-	-	-	54,369	59,247
1876	200,000	-	569,554	-	-	98,394	104,436	-	-	-	-	45,743
1877	218,000	-	498,000	122,058	-	149,321	119,625	-	-	-	-	-
1878	-	-	-	117,826	-	-	-	-	-	-	-	-

JAAR.	Engelsch Guiana.	Australie.	Louisiana.	Martinique.	Guadeloupe.	Réunion.	Cayenne.	Egypte.	TOTAAL der voorg. Koloniën.	Beetwortel-Productie. Europa.	TOTAAL.
	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.
1853	38,096	2,485	224,662	20,700	14,800	33,100	300	1,303	1,276,714	200,000	1,476,714
1854	39,799	1,174	173,318	24,300	22,000	39,700	-	1,332	1,219,558	160,000	1,379,558
1855	38,366	4,344	115,714	18,500	21,000	56,900	600	1,070	1,202,817	210,000	1,412,817
1856	36,125	1,845	56,850	26,600	21,600	57,000	200	634	1,176,498	261,000	1,437,498
1857	38,136	1,551	139,849	22,300	18,500	51,000	300	1,112	1,259,214	209,000	1,468,214
1858	41,241	3,212	179,000	28,500	27,500	58,000	401	1,258	1,300,253	387,032	1,687,285
1859	39,081	1,271	181,148	27,900	24,400	62,600	1,100	1,047	1,510,504	406,055	1,916,559
1860	43,539	2,687	110,920	32,954	28,800	65,878	397	520	1,291,316	437,963	1,729,279
1861	50,643	4,157	114,377	31,887	27,316	72,142	-	631	1,496,264	335,826	1,833,090
1862	45,496	5,067	229,705	32,101	31,313	54,568	249	588	1,601,226	404,411	2,005,637
1863	53,974	2,988	-	30,459	30,266	68,616	420	341	1,486,193	452,129	1,938,322
1864	51,794	3,135	3,334	24,161	15,906	35,913	516	102	1,433,664	385,744	1,819,408
1865	60,671	3,017	7,500	30,491	24,457	39,916	583	69	1,417,413	516,839	1,934,252
1866	64,303	3,325	20,500	34,657	33,942	48,085	796	49	1,488,872	630,237	2,119,109
1867	58,168	3,370	18,824	29,403	22,759	52,966	1,735	2,447	1,378,407	654,000	2,032,407
1868	63,225	2,911	42,128	37,627	30,512	35,979	421	6,462	1,636,096	664,888	2,300,984
1869	53,300	2,616	43,545	37,330	28,022	27,541	418	13,051	1,585,309	846,422	2,431,731
1870	66,820	2,909	72,441	38,252	34,211	42,655	405	12,630	1,661,834	942,590	2,604,829
1871	73,556	4,920	64,231	41,821	38,434	23,533	324	15,863	1,599,064	873,300	2,472,688
1872	62,709	5,347	69,800	39,699	31,786	33,100	-	20,359	†1,811,826†	†1,142,896	†2,954,722§
1873	76,579	5,497	59,300	37,515	35,845	30,450	440	44,200	1,840,986	1,110,166	2,951,152
1874	78,313	5,017	49,224	43,441	34,854	36,353	170	49,800	1,710,763	1,054,155	2,764,818
1875	72,052	-	-	50,528	48,032	35,450	-	-	-	1,165,336	-
1876	-	-	-	-	-	-	-	-	-	-	-
1877	-	-	-	-	-	-	-	-	-	-	-
1878	-	-	-	-	-	-	-	-	-	-	-

J A A R.	Value Net of Trinidad Sugar per Cwt.	Beet Crop. Increase per Cent. over Previous Crop.	J A A R.	Value Net of Trinidad Sugar per Cwt.	Beet Crop. Increase per Cent. over Previous Crop.
	s. d.			s. d.	
1865	17 4	34	1871	19 4	7 deficient.
1866	14 8	22	1872	20 10	31 increase.
1867	16 10	4	1873	16 1	3 deficient.
1868	18 5	1½	1874	15 7	5 deficient.
1869	18 11	27	1875	14 4	20 increase.
1870	15 8	11			

* 43,266.

† Actual 1,790,929 in 1872.

‡ De openstaande cijfers aangenomen op 200,000 tons.

|| Total is Rueb & Ledeboer's; details from other sources, which do not agree with Rueb & Ledeboer's.

§ 2,933,825 in 1872.

Note.—De opgaven van Mauritius en Réunion loopen niet van 1 Januarij tot 31 December doch over den oogsttijd.

Memorandum.—The above table only contains the figures of Messrs. Rueb & Ledeboer up to the year 1872, those subsequent to that year have been added by Mr. Lubbock.

The net values of Trinidad sugars are Mr. Lubbock's figures, and 4 s. must be added to them to arrive at the market price, and the calculated per-centage of increase of beet crop have also been added by Mr. Lubbock.

Appendix, No. 15.

PAPER handed in by Mr. Martineau, 25 July 1879

EXTRACTED from Mr. F. O. Licht's MONTHLY CIRCULARS.

CONSUMPTION OF SUGAR.

	Y E A R S.						
	1865.	1866.	1867.	1868.	1869.	1870.	1871.
	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>
Great Britain - - - -	- -	- -	- -	- -	622,742	668,332	687,439
*Europe - - - -	- -	- -	- -	- -	681,004	666,136	699,065
United States - - - -	- -	- -	- -	- -	428,735	465,740	540,157
TOTAL - - - Tons	1,466,629	1,551,976	1,559,477	1,595,287	1,732,481	1,800,208	1,926,661
France only - - - Tons	- -	- -	- -	- -	320,630	316,496	340,279
	Y E A R S.						
	1872.	1873.	1874.	1875.	1876.	1877.	1878.
	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>	<i>Tons.</i>
Great Britain - - - -	715,409	797,645	820,141	928,568	886,538	868,265	944,277
*Europe - - - -	580,871	671,428	687,540	679,172	726,408	705,281	829,111
United States - - - -	564,123	580,000	656,000	642,000	610,000	614,000	645,000
TOTAL - - - Tons	1,860,403	2,049,073	2,163,681	2,249,740	2,222,946	2,187,546	2,418,388
France only - - - Tons	224,145	275,914	250,332	277,831	250,595	257,407	289,951

* Includes German Empire, France, Holland, and remaining five principal Entrepôts.

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I N D E X.

[*N.B.*—In this Index the Figures following the Names of the Witnesses, and those in the Analysis of Evidence of each Witness, refer to the Questions in the Evidence; and the Figures following *App.* to the Pages in the Appendix.]

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AUSTRO-HUNGARY:

1. *Complaints as to the Sugar Bounties in Austria, and the Effect upon the British and the West Indian Trades.*
2. *Complaints on the part of France.*
3. *Estimated Amount of the Bounties.*
4. *Remedial Measures proposed; Suggestions for a Countervailing Duty on Sugar from Austria.*
5. *Favoured Nation Clause.*
6. *Detailed Information supplied by Mr. Jerningham.*
7. *Explanations in Detail by M. Jacquemart.*
8. *Statistics on various Points.*

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class than upon high-class sugar, *Martineau* 71-75—Prejudicial effect upon the British trade by Austrian exports to other markets, *ib.* 851, 852, 856.

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Long complaints made by the French *fabricants* that their sugar is suffering in our hands, at the hands of Austria, in consequence of the bounties, *Walpole* 4963-4965—Complaints also by the French that they are losing the Mediterranean trade in consequence of the Austrian bounty system, *ib.* 5272, 5273.

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Letter from M. Léon Say, dated 29th April 1879, relative to the production of sugar in France, and the growing export from Austro-Hungary to Great Britain, *App.* 368,

3. Estimated Amount of the Bounties:

Inability of witness to state the amount of the Austrian bounty; reference hereon to estimate by M. Jacquemart, *Martineau* 866-875—Belief that the bounty in Austria is about the same as in Germany; doubt as to the effect to be produced by the new law, *Duncan* 1148-1150—The loss to the Austrian Exchequer in 1877-78 on account of the sugar bounty, was about 1,850,000 l. sterling, *Lubbock* 3441, 3442.

Estimated amount of the bounties paid by the Austrian Exchequer on the export of sugar; improbability of accurately ascertaining the amount of the Austrian exports to England, in consequence of their being lumped with the German exports, *Walpole* 5719, 5723-5725, 5769, 5770—The bounty is calculated, for the year 1878-79, at 5 d. a hundredweight, *Martineau* 6073, 6074.

4. Remedial Measures proposed; Suggestions for a Countervailing Duty on Sugar from Austria:

Dissatisfaction to be given by carrying out the Convention of 1877, though as regards Austria a countervailing duty should be applied, *Martineau* 843-860, 876-878—Necessity of inviting both Austria and Germany to join in any future conference which may be led together upon the subject of the sugar duties, *Martineau* 850-860; *Lubbock* 3282, 3304, 3305.

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AUSTRO-HUNGARY—continued.4. *Remedial Measures proposed, &c.*—continued.

Decided opinion that we can, and should, compel Austria to abolish the bounties by our putting on a countervailing duty on imports from Austria; belief that her sole object is to get the English market, *Hogg* 4617-4621—Conclusion that England, which possesses the largest market for sugar, should check Austrian sugar coming in below the natural market price; contention that such a course would not place Austrian beet-root sugar manufacturers at a disadvantage, *Forster* 4780-4799.

Explanation that a countervailing duty would have the effect of collecting the Austrian bounty at our ports, and distributing it amongst the ratepayers of this country; interception of the Austrian bounty at our ports would neutralise its effect in stimulating their sugar trade, *Walpole* 4952-4955—Assertion by the Belgian delegates at the conferences that there would be no difficulty in identifying the origin of Austrian sugar going through Belgium, *ib.* 4957-4959.

Estimate that the amount of duty necessary to countervail the Austrian bounty would be about 2*l.* or 3*l.* per ton; it does not follow from this calculation that Austrian sugar comes into our market 2*l.* or 3*l.* less than it would otherwise, *Walpole* 5152-5154. 5182.

Calculation that an average countervailing duty of 3*l.* 10*s.* per ton might be charged on sugar coming from Austria, instead of differential duties on raw and refined sugar; admission hereon that the interests of the producer and the refiner are not identical, *Walpole* 5765-5771. 5882-5895. 5972-5977.

5. *Favoured Nation Clause:*

Grounds for concluding that Austria, having a favoured nation clause with England, would have no right to demand that her sugar would be admitted on the same terms as French sugar; belief that Austria, instead of complaining, would very much desire that England should settle the whole question, *Walpole* 5006-5017—Opinion that France has been subjected to a wrong in our markets by Austria having gone outside the spirit of the favoured nation clause, *ib.* 5749.

Stipulations with regard to most favoured nation treatment of produce and manufactures in Commercial Treaty between Great Britain and Austro-Hungary, *App.* 370.

6. *Detailed Information supplied by Mr. Jerningham:*

Report by Mr. Jerningham, dated 9th May 1879, containing information in detail relative to the system of sugar duties, &c., in Austro-Hungary, and supplying statistics on various points, *App.* 337 347.

7. *Explanation in detail by Mr. Jacquemart:*

Paper prepared by M. F. Jacquemart, Vice-President of the Central Committee of Sugar Manufacturers of France, dated April 1879, with reference to the sugar system of Austro-Hungary, and the operation of the bounties, *App.* 389-393.

Further statement by M. Jacquemart, dated 29th June 1879, with reference to the sugar system of Austro-Hungary and the Austro-Hungarian bounties, *App.* 394-398.

8. *Statistics on various Points:*

Table showing the amount of export and import of raw and refined sugar in the several years 1855-77; *App.* 340.

Statement relative to the number of sugar factories in Austria and Hungary, respectively, in each year, from 1851 to 1875-76; *App.* 347.

Table showing the tax on beetroots, the duty for sugar imported, and the drawbacks granted, *App.* 347.

Amount of production of beet sugar in each of the years 1868-79; *App.* 406.

Paper showing the quantity exported from Austria in different years, *App.* 399.

See also *Bounties. Conferences and Conventions. Countervailing Duty. Refining in Bond.*

B.

Barbados. See *Colonial Company. West Indies.*

BEETROOTS, AND BEETROOT SUGAR:

1. *Production of Beetroots and of Beetroot Sugar on the Continent.*
2. *Imports of Beet Sugar into Great Britain.*
3. *Question of Production of Beetroots in the United Kingdom.*
4. *Relative Qualities of Beetroot and Cane for Sugar Purposes.*

1. *Production of Beetroots and of Beetroot Sugar on the Continent:*

Prospect of a great increase in the production of beet sugar on the Continent, *Duncan* 1164—Several sources of supply of beet sugar; question of continued competition being
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BEETROOTS, AND BEETROOT SUGAR—continued.1. *Production of Beetroots and of Beetroot Sugar on the Continent*—continued.

being thus secured, *Gadesden* 1370-1380. 1416, 1417—Contingencies to which the supply of beet sugar at a cheap cost is liable, so that its permanency cannot be calculated upon, *ib.* 1510-1518.

Effect of the bounty in France and Austria in stimulating the production of beetroot, a portion of the bounty going to the landowner, *Martineau* 2306-2322—Information in regard to the production of beetroot sugar on the Continent; greater liability of the beet crop than of the sugar cane to general failure, *Lubbock* 3087-3096. 3099. 3102. 3110. 3315-3324—Increased production of beetroot sugar abroad; measures taken in Europe to greatly increase the growth of beetroot, *ib.* 3411, 3412. 3445-3458—Grounds for the opinion that beet growing does not pay in France, *ib.* 3457, 3458—Effect of an increase in the price of sugar to stimulate the production of beetroot; increase in the growth in the present year estimated at from ten to fifteen per cent., *ib.* 3578-3582. 3669, 3670.

Decided opinion that the beetroot crop is not to be entirely depended upon by sugar consumers; beetroot, in fact, is not equal in quality to cane, and is, moreover, a precarious crop, *Chambers* 5422-5424—Impossibility of using beetroot sugar without its being refined, *Walpole* 5969-5971. 5978-5980—Very large increase in the growth of beetroot on the Continent since the year 1868, *Sir L. Mallet* 6405-6408.

Paper submitted by Mr. Lubbock showing the import of Continental beet sugar in 1862 and 1868, and in each of the years 1871-78, *App.* 404-406.

Statement showing the production of beet sugar in each Continental country in each of the years 1868 to 1879, *App.* 406.

Annual production of beetroot sugar in Europe since 1853, *App.* 409.

2. *Imports of Beet Sugar into Great Britain:*

Necessarily increasing use of beet sugar in witness' refinery, *Duncan* 1041. 1227—Great increase in the import of beet sugar, *ib.* 1219.

Increase in the importation of beetroot sugar to the extent of 300,000 tons since 1862, whilst West Indian sugar has remained stationary; belief that an increased cultivation of beetroot sugar in France would not have the effect of lowering the price, *Hill* 2627-2633. 2715-2720. 2882-2887.

3. *Question of Production of Beetroots in the United Kingdom:*

Facility in growing beetroots and producing beetroot sugar profitably in England but for the bounties on the Continent, *Duncan* 1017-1020. 1025-1027. 1036-1050. 1147—Successful cultivation of beetroots by witness in Suffolk, *ib.* 1019. 1147. 1178-1181—Boon to agriculturists by a large demand for beetroots for sugar production, *ib.* 1159—Further statement as to beetroot being capable of successful cultivation in England on a large scale, *ib.* 1178-1181.

Dissent from Mr. Duncan's opinion that beet can be grown profitably in England; witness, however, is not well informed on this subject, *Gadesden* 1357-1359. 1422-1429. 1436.

Experiments made by Mr. Law in relation to the growth of beetroot; instance in which twenty-eight tons were obtained from a single acre, *Lubbock* 3451-3458.

Want of fairplay for the successful cultivation of beetroot in England, *Gadesden* 1493, 1494—Advantage in beetroot being produced close to the factories, *ib.* 1495, 1496.

Doubt as to the English climate being suitable for beet-growing on a large scale, *Shepherd* 1922. 1929-1932—Belief that in the absence of bounties beet might be grown profitably in England for sugar manufacture; that is, in competition with cane, *Martineau* 2200-2205.

Unsuccessful attempt made some years ago in Ireland to grow beet for sugar-making purposes, *Hill* 2628-2633. 2771-2775—Possibility of successful competition by Ireland in the growth of beetroot for sugar, *ib.* 2640. 2755, 2756. 2760.

Grounds for believing that beetroot can be grown in this country to compete successfully with the foreign beet; favourable report by Sir Robert Kane as to the possibility of growing beetroot in Ireland, *Lubbock* 3175-3187. 3447.

Further information respecting the growth of beetroot in England; assertion that as regards the amount of sugar contained in beet we can safely compete with that grown in France, *Martineau* 6214-6221—Statement that beetroot is in no way an exhausting crop, it being very favourable to the growth of wheat, in consequence of the deep cultivation required, *ib.* 6216, 6217—Possibility of getting thirty tons of beetroot to the acre, though the average crop is only about twenty tons, *ib.* 6221.

4. *Relative*

BEETROOTS, AND BEETROOT SUGAR—continued.**4. Relative Qualities of Beetroot and Cane for Sugar Purposes :**

Evidence as to the relative merits of cane and beet, and as to the larger amount of saccharine in cane, *Shepherd* 1882-1889. 1908-1912. 1940-1942. 1959-1962; *Hill* 2927, 2928; *Lubbock* 3236-3241. 3426; *Hogg* 3870, 3871; *Forster* 4670. 4736-4745 —Contention that without the aid of a bounty, foreign beet could not compete successfully with West Indian cane-grown sugar, *Hill* 2639. 2754-2759.

See also *Austro-Hungary. Belgium. Bounties. Cane Sugar. Consumers. Consumption of Sugar. Countervailing Duty. France. Germany. Holland. Price. Raw Sugar. Refiners. Refining in Bond.*

BELGIUM :

1. *System of Sugar Duties and Drawbacks; Bounty involved.*
2. *Amount of Sugar Production, and of Export.*
3. *Negotiations and Conventions; Question of Refining in Bond.*
4. *Most Favoured Nation Clause (Commercial Treaty).*

1. System of Sugar Duties and Drawbacks; Bounty involved :

Information relative to the Belgian system of levying the sugar duty, and of estimating the drawback; defects complained of, a bounty being really given on export of loaf sugar, *Martineau* 127. 132. 135-148 —Statement showing that the system operates as a reduction of duty to the consumers and also as a stimulus to export, *ib.* 401-404 —Reference to the system of assessing the duty on sugar made in the beetroot factories by the density of the juice, as having nothing to do with the classified scale under the convention of 1864; *ib.* 421-437 —The bounty is paid entirely by the consumers, and not by the State, *Lubbock* 3066, 3067.

Memorandum furnished by Mr. W. Graham Sandford, dated Brussels, 7th May 1879, containing information in detail relative to the system of sugar duties, bounties, &c., in Belgium, *App.* 335-337.

2. Amount of Sugar Production, and of Export :

Very small export of refined sugar from Belgium, *Martineau* 405 —Large exports of sugar of different kinds from Belgium; belief that it comes mainly to this country, *Lubbock* 3443, 3444.

Paper showing the quantity exported in different years, *App.* 399.

Amount of production of beet sugar in each of the years 1868-79; *App.* 406.

3. Negotiations and Conventions; Question of Refining in Bond :

Evidence in detail relative to the negotiations, conferences, and conventions in 1863, and subsequently, between France, England, Holland, and Belgium, with a view primarily to the abolition of bounties, *Martineau* 168 *et seq.*

Memorial agreed to by Belgian *fabricants*, there being also a memorial from Belgian refiners objecting to the Convention of 1864, *Martineau* 363 —Decided objection made by the Belgian delegates at the conference of 1872 to refining in bond, *ib.* 462. 465 —Strong approval of refining in bond by the Belgian sugar manufacturers, *ib.* 473, 474.

Grounds for the argument that the Belgian system should not stand in the way of refining in bond; memorial from Belgian manufacturers advocating Excise supervision, *Martineau* 565-568. 573-579 —Exceptional position occupied by Belgium under the Convention of March 1877, she undertaking to reduce her duties one-half in lieu of refining in bond, *ib.* 789-792. 6149-6152.

Approval of England giving Belgium, and other countries in a similar condition, a somewhat exceptional position, even although it should give a minimum of bounty, with the object of remedying a greater evil, *Lubbock* 3659-3661.

4. Most Favoured Nation Clause (Commercial Treaty) :

Stipulations with regard to most favoured nation treatment of produce and manufactures in Commercial Treaty between Great Britain and Belgium, *App.* 371.

See also *Bounties. Conferences and Conventions. Countervailing Duty. Refining in Bond.*

BOUNTIES (DUTIES AND DRAWBACKS) :

1. *Generally as to Systems of Sugar Duties and Drawbacks in Foreign Countries, and the Bounties involved.*
2. *As to the Prejudicial Effect of Foreign Bounties on the British Sugar Trade.*
3. *As to the Expediency of an Abolition of Bounties, and as to the Action taken for this purpose.*

1. Generally as to Systems of Sugar Duties and Drawbacks in Foreign Countries, and the Bounties involved :

Impracticability of calculating accurately the amount of the foreign bounties, *Martineau* 107. 2304, 2305 —Grounds for the statement that the drawback upon foreign export of loaf sugar necessarily involves a bounty, *ib.* 117 *et seq.*

BOUNTIES (DUTIES AND DRAWBACKS)—continued.

1. *Generally as to Systems of Sugar Duties and Drawbacks, &c.*—continued.

Particulars relative to the system of levying the duty, and of calculating the drawback, in France, Holland, Belgium, Germany, Austria, and America; important defects complained of, so that bounties are virtually given, *Martineau* 120 *et seq.*—Recognition by foreign countries of the existence of bounties, the object of international negotiations having been to get rid of bounties, *ib.* 166-171.

Every country in Europe gives a bounty, more or less, *Duncan* 1025—Long existence of the system of bounties, *ib.* 1239, 1240—Threefold sources of supply of bounty-fed loaf sugar, viz., France, Holland, and America, *Martineau* 2215-2220.

General information in regard to the bounty system on the Continent, and the excessive drawbacks paid by the Austrian and other Governments, *Lubbock* 3043-3086. 3093. 3203-3211. 3226-3229. 3324. 3532 *et seq.*—Evidence relative to the bounties, their amount and operation, the system being very objectionable, *Fouquet* 4134-4173. 4224-4226—Explanations on several points in connection with the foreign bounties; the amount of bounty paid last year by the Austrian Government was about a million and a half sterling, *Hogg* 4340-4345. 4505-4522. 4555-4577. 4612-4621.

Strong opinion that no system of import duties and drawbacks can be arranged by which it is possible to ensure that nothing more or less will ever be given in drawbacks than is paid in duty, *Sir L. Mallet* 6264, 6265.

Information supplied in detail by Her Majesty's representatives abroad as to the system of duties, drawbacks, and bounties in various foreign countries, *App.* 334 *et seq.*

2. *As to the Prejudicial Effect of Foreign Bounties on the British Sugar Trade:*

Conclusion that the bounty system is the sole cause of the falling off in the production of loaf sugar in this country; grounds for this conclusion, *Martineau* 27. 110, 111. 120 *et seq.*—Extracts from letter of Mr. Ogilvie in 1863 as to the mode of arriving at the duties and drawback, and as to the prejudicial effect upon English refiners and upon the export of loaf sugar from this country, *ib.* 200-210—Immense relief by cessation of the French and Dutch bounties, *ib.* 857, 858.

Very large sum receivable by witness in bounties if he were a refiner in Austria or Germany instead of England, *Duncan* 1151-1154—Ruinous competition involved in the bounty system, *ib.* 1155-1157.

Relative effect upon the manufacturer and the consumer by the abolition of bounties in Austria and Germany, *Shepherd* 1893-1899—Objection especially to the artificial operation of the system of bounties, and the prejudicial effect upon producers in this country, *ib.* 1925-1928. 1933.

Belief that the supply of bounty-fed sugar from competing sources cannot be calculated upon as permanent, but will last long enough to ruin the cane supply and do an irreparable injury to the trade and to the country, *Martineau* 2221-2238.

Explanation in regard to the injurious effects of the bounty system; opinion that the present decadence of the sugar trade is entirely due to the system of bounties granted by the French and other Governments, *Peters* 2419-2422. 2472-2483.

Details respecting the injurious effect of the foreign bounties upon the production of West Indian sugar; belief that the bounties on sugar in France were originally put on with a view to competition with England, and for this reason they are still continued, 3043 *et seq.*; *Lubbock* 3532-3552. 3616-3624. 3662-3666. 3681. 3714-3717.

Additional information respecting the foreign bounty system; opinion that the depreciation of sugar generally caused by these countries is about equal to the amount of the French bounty, *Lubbock* 3404-3407. 3414-3418. 3438-3442. 3461-3483. 3487-3497—Apprehension chiefly as regards the Austrian, Belgian, and Dutch bounties, *ib.* 3490-3492.

Further evidence as to the injurious effects of bounties upon any article of manufacture; assertion that they are the reverse of free trade, *Lubbock* 3755-3760. 3783-3785. 3789. 3825, 3826.

Information in detail as to the system of foreign bounties and their injurious effect upon our sugar trade; desire on the part of other countries that England should settle this question on the basis of a general abolition of bounties, *Walpole* 4897-4902. 4914-4917. 4921-4924. 4938-4946. 5020-5024. 5029-5031.

Evidence in further relation to the injurious effect of the foreign bounties upon the British sugar trade; chief evil of the system in the uncertainty which necessarily attends the course of trade, *Walpole* 5190. 5193-5211. 5220-5222. 5236. 5238-5241. 5272-5286—Decided opinion that the effect of the foreign bounties is that the sugar industries of this country are at the mercy of foreign legislatures; contention that duties levied upon English manufactures by foreign governments have not the same injurious effect, *ib.* 5194-5204.

Explanation

Report, 1879—continued.

BOUNTIES (DUTIES AND DRAWBACKS)—continued.

2. *As to the prejudicial Effect of Foreign Bounties, &c.*—continued.

Explanation as to the manner in which the foreign bounties affect injuriously the refiner as well as the grower, *Sir L. Mallet* 6533-6537—Grounds for the conclusion that it is impossible, as a consequence of foreign duties, for the home market to be encroached upon beyond a certain limit; effect at present as regards 160,000 tons out of 700,000 tons, *ib.* 6547.

Grounds for doubting whether bounties have the effect of decreasing the cost of production; result of general experience that when industries are unassisted by their governments they exert themselves more, and in consequence succeed to a greater extent, *Sir L. Mallet* 6566, 6567—Decided opinion that the bounties are more injurious to the country which gives them than to the country which receives the bounty-fed sugar; grounds for this opinion, *ib.* 6585-6591. 6619.

3. *As to the Expediency of an Abolition of Bounties, and as to the Action taken for this purpose:*

Explanations in detail relative to the various negotiations, conferences, and conventions in 1863 and subsequently, with a view, primarily, to the abolition of bounties, *Martineau* 168 *et seq.*—Numerous memorials from different bodies in England praying for amended regulations, *ib.* 369.

Conclusion that a renewal of negotiations would probably lead to the adoption of the Convention of 1877; prospect of removal of the difficulties raised by Holland and France, *Martineau* 840-842—Satisfaction to the refiners of this country if the Convention of 1877 between England, France, Holland, and Belgium were carried out, though, in view of the bounties in Austria and America it is essential to insert a clause providing for a surtax on imports of bounty-fed sugar, *ib.* 843-860.

Tendency of a convention between the four Powers for the suppression of bounties to lead to their abolition in countries outside the convention; degree of inducement on the other hand to Austria to continue the bounty system, *Martineau* 845-849. 854, 855. 876-878—Conclusion that an entirely satisfactory solution of the question at issue can only be secured by bringing all refined sugar-exporting countries within a convention; insecurity otherwise as regards future imports from Austria, America, and other countries, *ib.* 850-860—Doubt as to any other industry in this country besides sugar suffering from bounties, *ib.* 892-894.

Concurrence of evidence in favour of a countervailing duty on imports of bounty-fed sugar as an effectual means of putting a stop to the bounty system, *Martineau* 879-886. 2323 *et seq.*; 6142-6149; *Duncan* 985 *et seq.*; *Gatesden* 1287. 1381, 1382. 1448, 1449. 1473-1483; *Easton* 1636 *et seq.*; *Shepherd* 1835-1854; *Peters* 2418-2420. 2488-2492; *Hill* 2699-2704; 2812. 2845-2854. 2992-2997. 3012-3019; *Lubbock* 3086. 3256 *et seq.*; 3583 *et seq.*; *Hogg* 3877-3881. 3934-3944; *Georges* 4056-4061. 4075; *Fouquet* 4165. 4174-4186. 4188-4192; *De Mot* 4244-4265; *Walpole* 4927 *et seq.*; 5720 *et seq.*; *Chambers* 5341 *et seq.*

Difficulty as regards Germany and America even though bounties were abolished in France, *Duncan* 1073-1075—Concurrence in the view that an abolition of bounties would on the whole be for the benefit of consumers, *Duncan* 1204-1208; *Hogg* 3874-3876. 3907-3928. 3988-3997; *Fouquet* 4134-4173. 4224-4226—Impolicy and injustice in allowing an important industry of the mother country and of the colonies to be removed by artificial means, *Gatesden* 1419-1421.

Importance attached to continued negotiations by Government, with a view to the abolition of bounties, *Shepherd* 1827-1830—Free trade, and not protection, is all that is demanded, *ib.* 1831, 1832.

Difference between the position taken up by the working men for the abolition of bounties, and the principle of reciprocity, *Peters* 2416, 2417. 2530, 2531—Approval of a convention being agreed to by the principal sugar-producing countries to undertaking to abolish bounties with a penal clause similar to that of 1864, *Hill* 2998, 2999—Contention that the abolition of bounties will benefit foreign countries rather than injure them; reasons for this view, *Lubbock* 3702, 3703. 3720, 3721. 3781, 3782.

Recommendations with a view to remedying the evils caused by the foreign bounties; proposal that the principle of free trade should be adopted in its practical sense, *Forster* 4672-4687. 4696-4700. 4703-4714. 4720, 4721. 4741-4750—Definition of the doctrine of free trade in its relation to sugar; contention that it should come in at its natural price, without regard to sugar being either cheap or dear, 4673-4679.

Advocacy of the abolition of bounties on the ground of free trade; disapproval of all disarrangement of the natural course of trade, *Walpole* 5049, 5050—Details as to the injurious effects of the bounty system upon the West Indian trade; distinct difference which exists between the foreign bounty and the protective duty which all countries are entitled to impose upon any article of foreign manufacture, *Chambers* 5312 *et seq.*; 5445-5455. 5573-5581.

BOUNTIES (DUTIES AND DRAWBACKS)—continued.3. *As to the Expediency of an Abolition of Bounties, &c.*—continued.

Statement as to the origin and object of the Convention of 1864; it was the result of the conference held in the previous year, of which witness was a member, and had for its object the abolition of the sugar bounties which existed in various countries, *Sir L. Mallet* 5655-5667.

Explanation that at the several conferences all the representatives of the foreign governments were equally desirous of abolishing the bounties on the exportation of refined sugar; good grounds for this view, *Sir L. Mallet* 5655 *et seq.*; 6247-6251. 6324. 6338-6358, 6432-6446. 6460. 6484-6487—Value of a letter from M. Léon Say as illustrating the unwise and artificial legislation which is embodied in the granting of the foreign bounties, *ib.* 5711.

Grounds for the conclusion that the last and the present Government have been strictly correct in their policy in trying to abolish bounties, notwithstanding that the consumer may be temporarily injured, *Walpole* 5797. 5804 *et seq.*—Impossibility of dealing with the foreign governments separately in regard to the question of bounties, *ib.* 5844-5853—Suggestion of an alternative scheme in the event of the English Government not agreeing to impose a countervailing duty, and foreign countries refusing to refine in bond, *ib.* 5858-5892.

Belief that the bounties will gradually disappear under the operation of the self interests of the Government that give them, *Sir L. Mallet* 6440, 6441—Statement that the effect of bounties undoubtedly is to interfere with the course of trade which would take place without them, *ib.* 6480

Additional evidence respecting the effect of foreign bounties upon the sugar trade of this country; direct interference of these bounties with the principles of free trade, *Sir L. Mallet* 6492-6495. 6538-6541. 6566-6569. 6585-6593. 6613. 6614. 6616. 6619-6622—Approval of a further conference with the object of assisting in the solution of the present difficulty; contention that if all the Powers were willing to agree to a convention for the abolition of bounties there would be no necessity for the insertion therein of a penal clause, *ib.* 6516-6532.

Belief further expressed that the bounty system is an evil which if left alone will cure itself; opinion that it is in course of being cured at the present time, *Sir L. Mallet* 6560. 6592—Subject of these duties originally brought before Mr. Gladstone's Government in 1863; belief that since that time public opinion and other causes have led to a better prospect of foreign governments amending their legislation on the subject, *ib.* 6561, 6562.

Inability of witness to suggest any further action on the part of our Government in order to rectify the existing mischief, in the event of the various foreign governments declining to meet what is an admitted evil, *Sir L. Mallet* 6563-6565.

See also *Austro-Hungary. Belgium. Cane Sugar. Competition. Confer-*
ences and Conventions. Consumers. Countervailing Duty. Employment.
France. Germany. Gladstone, Right Honourable W. E. Holland.
Iron. Manchester Chamber of Commerce. Moist Sugar. Price. Raw
Sugar. Refiners. Refining in Bond. Shipping Trade. United States.
West Indies.

Brazil. Extent of competition of Brazil and Cuba with the West Indies in the matter of sugar production, *Hill* 2724-2729. 2738, 2739.

Bristol and Plymouth. Great reduction in the number of refineries in Bristol, and in the quantity of refined sugar production, *Shepherd* 1787, 1788—Operation formerly of three refineries in Plymouth, whereas now there is only one, that of the British and Irish Sugar Refining Company; great reduction since 1864 in the production, *ib.* 1787-1789. 1796. 1806-1810—Much larger proportion of pieces, or moist sugar, than of loaf sugar formerly produced at Bristol and Plymouth; moist sugar alone is now produced, *ib.* 1790-1793. 1806. 1875-1877.

Local advantages of Plymouth and Bristol, respectively, for carrying on the sugar-refining trade; better position of the latter as regards supplies of coal, *Shepherd* 1797-1799. 1818. 1943-1950. 1996-2004. 2034-2040—Severe continental competition through the bounties upon loaf sugar, the effect upon the moist sugar trade of Bristol and Plymouth being very prejudicial, *ib.* 1794-1796. 1806-1810. 1820.

Sources of supply of raw sugar in Bristol and Plymouth, beet sugar being now largely imported; total imports into Bristol in each year since 1872, *Shepherd* 1797-1803—Annual import of refined sugar into Bristol, *ib.* 1804, 1805—Successful manufacture of loaf sugar in Plymouth during the Franco-German war, *ib.* 1818-1822.

Consideration of the causes of the increase in the moist sugar trade of Liverpool and the Clyde, whilst there has been a decrease in the trade of Bristol and Plymouth, *Shepherd* 1865-1871. 2065-2082—Large decrease in the import of West India sugar into Plymouth and Bristol, *ib.* 1872-1874—Much larger proportion of cane than beet sugar

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sugar used in the Bristol and Plymouth refineries; high class sugar produced, *Shepherd* 1878-1881. 2080-2082—Conclusion as to the ability of British refiners to compete with foreigners, in the absence of bounties, *ib.* 1900, 1901.

Further statement as to the production of refined sugar in Plymouth in different years, the diminution having begun before 1864, *Shepherd* 2005-2014.

Very extensive business of Messrs. Finzel's refinery when it was in full working order, *Peters* 2372-2380—Large number of workmen thrown out of employment by the failure at Messrs. Finzel; impossibility for these men to find employment in other sugar manufactories, *ib.* 2375-2381. 2553-2555—Character of the sugar made at Messrs. Finzel's manufactory; average of 1,200 tons turned out of this refinery per week, *ib.* 2381-2387. 2393-2404.

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1. *As to the Negotiations and Conferences which resulted in the Convention of 1864, and as to the Operation of this Convention.*
 2. *Question of a Surtax on Bounty-fed Sugar having been contemplated by the Convention of 1864.*
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 6. *Explanations and Suggestions generally: Question especially as to the Adoption of a Convention with a Countervailing Duty.*
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2. *Question of a Surtax on Bounty-fed Sugar having been contemplated by the Convention of 1864 :*

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3. *Conferences in 1872 and 1873 ; Protocol agreed to, but not Ratified by England :*

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5. *Conference and Convention of 1877 ; Comment upon the Action of Holland and France relative to this Convention, which was not Ratified by France :*

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5. *Conference and Convention of 1877, &c.*—continued.

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6. *Explanations and Suggestions generally; Question especially as to the Adoption of a Convention with a Countervailing Duty:*

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6. *Explanations and Suggestions generally, &c.*—continued.

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CONSUMPTION OF SUGAR:

Large increase in the consumption of loaf sugar concurrently with the extinction of the home refining trade, *Martineau* 28—Great increase in the consumption of sugar, mainly of beetroot sugar, *Duncan* 1162-1164—Relative increase in the consumption of loaf sugar, and of moist sugar, *Easton* 1698-1714. 1741-1745—Increasing consumption of moist sugar for many years down to the year 1875, since which period there has been a decrease, *ib.* 1698-1714—The consumption of refined sugar is less than eleven pounds per head, *Shepherd* 1898.

Data for the calculation that the consumption of loaf sugar is somewhat in excess of 140,000 tons, and that it has remained almost stationary since 1864; explanation that this is a mere estimate, and may be inaccurate, *Martineau* 2101-2137—Impracticability of ascertaining the consumption from the Board of Trade returns, *ib.* 2101—Increased consumption of moist sugar adverted to in part explanation of the non-increase in the consumption of loaf sugar, *ib.* 2127-2137.

Concurrence with Mr. Easton as to sugar having reached a limit of consumption beyond which the consumption would not continue to increase at the same rate as previously, *Martineau* 2356.

Reasons for the absence of increase in the consumption of loaf sugar since; immense increase in the consumption of moist sugar, *Lubbock* 3749-3755—Great increase in the consumption of sugar in the United Kingdom within the last twenty years; bar to a gradual increase, *ad infinitum*, *Hogg* 4346-4353—Statement as to the consumption per head in England, Victoria, and France, respectively, *ib.* 4347. 4354. 4356, 4357.

Estimate

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CONSUMPTION OF SUGAR—continued.

Estimate of the amount of sugar imported into England in the year 1864, and at the present time; the increase in the consumption of moist sugar is much greater than that of loaf sugar in the same period, *Martineau* 6009-6017.

Statistics in regard to the total consumption of sugar in Europe since 1869; considerable increase of consumption since 1875, *Sir L. Mallet* 6334-6337—Belief that the general depression of trade in England between 1875 and 1878 has had a considerable effect in diminishing the consumption of sugar, *ib.* 6594-6599—Decrease in the consumption of loaf sugar while an enormous increase in that of other sorts has taken place, *ib.* 6600-6602.

Statement showing the amount of consumption of sugar in Great Britain, Europe, and the United States, respectively, in each of the years, 1869-78, *App.* 410.

Conventions. See *Conferences and Conventions.*

Cotton Trade. Immense injury to the cotton trade if America chose to give an export bounty on cotton manufactures, *Gadesden* 1421. 1439, 1440.

COUNTERVAILING DUTY:

1. *Advocacy of a Countervailing Duty on Imports of Bounty-fed Sugar, with a view to the Abolition of Bounties.*
2. *Probable Sufficiency of a Threat to impose a Countervailing Duty.*
3. *Amount of such Duty, and Mode of Application.*
4. *Exceptions taken by Sir Louis Mallet to the proposed Duty.*

1. *Advocacy of a Countervailing Duty on Imports of Bounty-fed Sugar, with a view to the Abolition of Bounties:*

Explanation that witness would much rather do without a countervailing duty, though he contends that the principle is a sound one, and is in accordance with the doctrine of free trade, *Martineau* 880. 889-896. 907, 908.

Fairness of a countervailing duty on sugar from all countries not refining in bond; opinion that such duty would not be opposed to the principles of free trade, *Duncan* 967-970. 985-987. 1086-1088. 1170-1173—Non-objection to a countervailing duty on Austrian and German raw sugar, if such duty be imposed on refined sugar, *ib.* 967-970.

Circumstance of the Convention of 1864 having contemplated the imposition of a surtax or countervailing duty, *Duncan* 1013-1016; *Martineau* 2354, 2355—Prospect of foreign countries coming readily under a Convention for a countervailing duty, with the alternative of refining in bond, *Duncan* 1189-1197—Further denial that the proposed duty is at variance with the principles of free trade, *ib.* 1198-1203.

Conclusion that if France, Belgium, and Holland would agree to a convention, establishing refining in bond, and undertaking to impose a countervailing duty on sugar from countries giving bounties, other countries would speedily be drawn into the Convention, *Gadesden* 1285-1291. 1316-1331—Denial that a countervailing duty is opposed to the principles of free-trade, *ib.* 1287. 1381, 1382. 1414, 1415. 1441—Explanation that witness does not urge refining in bond as indispensable, and suggests an alternative in the shape of a countervailing duty, *ib.* 1448, 1449.

Evidence in further support of the view that countervailing duties would be in accord with the principles of free trade; several eminent authorities quoted to this effect, and adverse to the bounty system, *Gadesden* 1473-1483—Statement as to the last Convention having contemplated resort to a countervailing duty, or at least to measures of defence, *ib.* 1488-1492. 1506-1509.

Concurrence in the opinion that a surtax in this country equivalent to the bounty would not be opposed to the principles of free trade, *Neill* 1553; *Easton* 1652-1656—Expediency of further negotiations with foreign countries with a view to a Convention under which a surtax, or countervailing duty, should be imposed on sugar from any country still giving bounties; that is, in order to compel refining in bond, *Easton* 1636-1645. 1678-1684. 1750-1753. 1768-1773—Statement to the effect that the proposed duty would probably not cause an increase of a farthing per pound in the price, whilst it would be of vital consequence to the home refiner, *ib.* 1646-1648. 1688, 1689. 1746, 1747. 1759-1765.

Necessity of a countervailing duty on refined sugar as a means towards getting rid of bounties, *Shepherd* 1835-1839. 1850. 1853, 1854—Further denial that the proposed imposition of duty would be a reversal of the commercial policy of this country, or of the principles of free trade, *Martineau* 2348-2353; *Lubbock* 3268, 3269, 3332; *Walpole* 4981, 4982—Reference to the convention in force in 1864-65, as having clearly contemplated a surtax, *Martineau* 2354, 2355.

Expediency of imposing a countervailing duty per ton upon all bounty-fed sugar coming into this country; opinion that this duty would have no effect in stimulating the

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COUNTERVAILING DUTY—continued.

1. *Advocacy of a Countervailing Duty, &c.*—continued.

cultivation of beetroot in this country for sugar manufacture, *Hill* 2699-2704. 3012-3019.

Assertion that the principle of free trade was recognised in the Convention of 1864; proposal by that Convention that a surtax should be imposed on the imposition of refined sugar, *Lubbock* 3270-3280—Belief that a Convention would never be obtained in concert with the foreign powers unless by means of a countervailing clause, *ib.* 3498-3501.

Reasons which have hitherto prevented France, Belgium, and Holland from finally agreeing to a convention to abolish bounties; absolute necessity for inserting in any convention a clause for placing a countervailing duty upon sugar coming from countries which give bounties, *Lubbock* 3633-3638. 3646-3653. 3692-3695—Principal advantage of a countervailing duty in placing English manufacturers upon a footing of equality with foreign competitors; illustration of this view in the case of the tobacco duty in relation to the manufacture of cigars from raw tobacco, *ib.* 3681-3693. 3722-3724—Argument that the proposed duty could not be taken by foreign governments as a retaliatory duty; grounds for this opinion, *ib.* 3696-3710. 3718-3721. 3781, 3782.

Continued observations with regard to the advantages to be obtained by imposing a countervailing duty upon bounty fed sugars; further argument that in advocating this duty the principles of free trade are distinctly carried out, *Lubbock* 3718-3729. 3761-3767. 3781, 3782. 3785-3798. 3814-3819. 3825-3829. 3844-3848.

Recommendations as to the means to be adopted for remedying the injurious effects of the foreign bounties; expediency of a countervailing duty upon sugar coming from those countries which give the bounties, *Hogg* 3877-3881. 3886. 3934-3944—Absolute necessity for the adoption of a countervailing duty as the basis of a convention; belief that if the English Government threatened to put on such duty it would be quite sufficient to induce the other Governments to join in a convention, *Georges* 4056-4061. 4075; *Fouquet* 4165. 4174-4186. 4190-4192.

Decided opinion that it is useless to expect any convention to be agreed to that does not contain a clause for a countervailing duty; belief that if England will take the initiative there will be no difficulty in obtaining a convention to abolish bounties, *De Mot* 4244-4265. 4268-4270—Belief that England would be quite justified in putting a duty upon foreign imports if by that means the countries whence these imports come would be induced to abolish their duties upon our exports, *Forster* 4682-4684.

Observations on the paper put in by M. Fouquet, and upon the proposal for compensating duties for the purpose of suppressing bounties, *Walpole* 4927-4937—Conclusion that a countervailing duty should be imposed in order to obviate the injurious effects of the foreign bounties; existence of this system of duty in the case of chicory, malt, and spirits, *ib.* 4978-4983. 4998-5006. 5025-5028. 5137-5143. 5152-5155. 5179-5182.

Contention that the imposition of a countervailing duty by England would not be in any way a retaliatory tax; distinct difference between a retaliatory tax and an equalising duty, *Walpole* 5005, 5006—Belief that the policy of the present and past Governments has been to stop the exportation of sugars with bounties; admission that the present Government at the last conference refused to entertain the suggestion of a surtax, *ib.* 5032-5048. 5187, 5188.

Grounds for the belief that the gain to the Imperial Exchequer by the imposition of a countervailing duty would be very small, *Walpole* 5213, 5214—Inexpediency of at once imposing a countervailing duty, without a previous international conference, *ib.* 5244.

Emphatic opinion in favour of imposing a countervailing duty upon bounty-fed sugar; expediency of such a duty being within the amount of bounty rather than in excess of it, *Chambers* 5341-5349. 5365, 5366. 5374. 5397-5403. 5447-5453. 5460, 5461. 5511-5518. 5531-5540. 5582-5587.

Further recommendation that this country should enter into a convention binding itself to impose a countervailing duty upon all sugars coming from countries giving drawbacks; reason for adopting the word "drawback" instead of "bounty," *Walpole* 5720, 5721. 5739-5741. 5751-5781. 5791-5798. 5854. 5923-5929. 5967, 5968. 5981-5991.

Disinclination of the Government to impose a countervailing duty upon sugar, as it might become necessary to impose similar duties upon other articles; statement that no other article but sugar receives a bounty and so would not require such relief, *Walpole* 5837-5847.

2. *Probable*

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2. *Probable Sufficiency of a Threat to impose a Countervailing Duty :*

Belief that a mere threat to impose a countervailing duty would lead to the suppression of bounties, *Martineau* 879-886—Beneficial effect of a threat to impose countervailing duties; that is with a view to foreign refining in bond, *Duncan* 1122. 1158—Expectation that foreign countries would for the most part refine in bond rather than be subject to a countervailing duty in England, so that the latter would not be attended with much difficulty, *ib.* 1189-1193.

Belief that a threat on the part of England will be sufficient to bring about the abolition of bounties, *Fouquet* 4188, 4189—Opinion that England by threatening to impose a countervailing duty with reference only to the bounty on raw sugar, would oblige all sugar-making countries to abolish drawbacks, *Martineau* 6142-6149.

3. *Amount of such Duty, and Mode of Application :*

Expediency of the proposed duty being an exact equivalent of the bounty; grounds for concluding that there would be no serious difficulty in arriving at the amount in the case of each exporting country, and in ascertaining the country of origin, *Martineau* 889-891. 895, 896. 905, 906. 909-915.

Consideration of the difficulties in the way of a countervailing duty; reference more especially to the countervailing duty on spirits, *Duncan* 987-1009. 1032-1038. 1051-1085. 1165, 1166. 1237, 1238—Satisfaction to refiners in England by a very small duty; exceedingly small increase of price entailed, *ib.* 1012. 1081-1085. 1167-1169—Difficulties of a countervailing duty in so far as it should be varied with direct reference to the different bounties in operation, *ib.* 1032-1038. 1051-1072.

Small countervailing duty contemplated; opinion that 2 s. 6 d. per cwt. would suffice, *Gadesden* 1326-1332—Belief that no practical difficulty would arise in the application of the duty, *ib.* 1442, 1443.

Low duty contemplated; belief that no difficulty would arise in fixing the amount, *Easton* 1654, 1655. 1684-1693—But little complication would arise in levying a countervailing duty in proportion to the bounty given, *ib.* 1724-1728.

Suggestion that a duty of 2 s. per cent. would suffice; inappreciable effect upon the the price, *Shepherd* 1839-1849—Facility in assessing and collecting a countervailing duty, *ib.* 1919-1931.

Explanation that the countervailing duty should be equivalent to the unnatural stimulus given to foreign competition by reason of the bounties; means of arriving at a definite sum, *Martineau* 2323-2337—Necessity of dealing, not only with France and Holland, but with America, in assessing the amount of countervailing duty, *ib.* 2338-2347.

Grounds for recommending the imposition of a countervailing duty with the object of obtaining fair competition in the manufacture of sugar; approval of fixing the minimum duty at 2 s. 4 d. a cwt., *Peters* 2418-2420. 2488-2492—Approval of the imposition of a uniform duty of 3 l. a ton; the duty should, in fact, be levied upon all bounty-fed sugar, regardless of its standard of quality, *Hill* 2699-2704. 2802. 2845-2854. 2898-2960. 2971. 2973. 2992-2997. 3012-3019.

Recommendation that a countervailing duty of 3 l. a ton should be adopted with the object of remedying the evil caused by the continental bounties; belief that if this duty were imposed foreign countries would be ready enough to come to an international agreement, *Lubbock* 3086. 3256-3269. 3283-3285. 3298-3303. 3331, 3332. 3336-3351. 3380—Absence of practical difficulty in the imposition of the duty; belief that such a duty would be less complicated than the old scale of duties, *ib.* 3298-3303.

Additional observations as to the expediency of adopting a countervailing duty as a remedy for the injurious effects of the foreign bounties; theory of such a duty that it should exactly countervail any bounty that there may be, *Lubbock* 3583-3624. 3629-3631. 3639-3641. 3682-3691. 3760-3710—Necessity for regulating the duty with reference to the country in which the sugar is grown; absence of difficulty as to certificates of export for this purpose, *ib.* 3598-3606.

Grounds for the belief that a countervailing duty of 3 l. a ton would so encourage the production of sugar in the West Indies that a steady increase would result, *Hogg* 4412-4417—Belief that a duty of 2 l. or 3 l. per ton would alone enable manufacturers to carry on business; desire for this duty with the object of securing a supply of sugar from those countries which can supply it most cheaply, *Forster* 4657-4663. 4680. 4696. 4748-4750. 4771-4778. 4800-4812. 4834-4837.

Absence of difficulty in imposing a surtax upon sugar in this country; no fixed rate of duty is difficult of collection, *Walpole* 4947-4949. 4956—Desirability of fixing the amount of surtax by international arrangement; comparison of the proposed duty with the surtax upon spirits, *ib.* 4973-4977. 5134-5142.

Further statement that there would be no practical difficulty in arriving at a satisfactory settlement of the precise amount of duty to be imposed for the purpose of abolishing

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3. *Amount of such Duty, and Mode of Application*—continued.

bounties, *Walpole* 4996, 4997—Facility with which the country of origin would be traced in the case of countervailing duties, applied to outside countries, *ib.* 5143-5151.

Additional evidence in support of imposing a countervailing duty; (expediency, if it be possible, of having an uniform rate of duty upon all bounty-fed sugar, *Walpole* 5137-5142. 5212-5219. 5224-5234. 5242-5271—The duty should apply only in the case of sugar receiving drawbacks upon exportation, *ib.* 5254-5257. 5263.

Difficulty which would arise in accurately fixing the amount of duty in regard to different countries; greater facility than in fixing the amount of a drawback, *Walpole* 5266-5270—Explanation with further reference to the means to be adopted for arriving at the amount of bounty given abroad, *ib.* 5722.

Argument that as the bounty on sugar coming from Austria is double that grown by Germany, the countervailing duty imposed by England should, in the case of Austria, be double that upon sugar from Germany; belief that there would be no practical difficulty in carrying out this arrangement, *Walpole* 5765, 5766—Grounds for the opinion that it would not be necessary in the case of raw and refined sugars to levy the countervailing duty according to various standards, *ib.* 5777-5782—Decided opinion that the imposition of a countervailing duty would in no way lead to difficulty as regards its collection by the Customs; difficulties in the collection of *ad valorem* duties, but not of fixed duties, *ib.* 5820-5827.

Expediency of introducing raw and refined sugar into England at the same countervailing duty; willingness to accept a countervailing duty which will countervail only the amount of bounty on the raw sugar, *Martineau* 6051-6053. 6142-6148.

4. *Exceptions taken by Sir Louis Mallet to the proposed Duty:*

Grounds for objection to a compensatory duty; argument that if it be right to impose an import duty to countervail a bounty, it must be equally right to give a bounty to countervail an import duty, *Sir L. Mallet* 5679-5702—Doubts whether any compensating duty would have the effect of benefiting the West Indian planter; strong objection to the imposition of a countervailing duty, *ib.* 5697-5705. 5712.

Argument that if we were to countervail foreign countries, and our countervailing duty were met by an additional bounty, the result would be to throw upon the consumer an enormous charge in the shape of greatly enhanced prices, *Sir L. Mallet* 5704, 5705. 6462-6466. 6469.

Calculation to the effect that a countervailing duty on the refined sugar imported would be to throw upon the consumers of refined sugars in this country a burden of about two millions sterling annually, *Sir L. Mallet* 5704, 5705. 6488-6491.

Objections moreover to a countervailing duty on the grounds of practical application; difficulty of imposing the same import duty upon sugars from different countries irrespectively of the amount of bounty given by each country, *Sir L. Mallet* 5706—Belief that the imposition of a countervailing duty upon sugar would lead to a demand for a similar indulgence from other industries which it would be very difficult to resist, *ib.* 5712.

Further grounds for disapproving of a system of countervailing duties; decided opinion that the imposition of such duties by England would be an extremely impolitic measure, *Sir L. Mallet* 6424-6431. 6447-6483. 6516—Assertion that giving a bounty to countervail an import duty is essentially the same as imposing a duty to countervail the bounty; illustration of the injurious effect of such a course, *ib.* 6468-6471—It is better to suffer from the present evils of the bounty system than to resort to a countervailing duty, *ib.* 6472.

Examination as to the discussions which took place at the Conference of 1864 with reference to the imposition of a surtax; contention that by the XIX. clause of the convention of that year, this country has not been committed to the principle of a countervailing duty, *Sir L. Mallet* 6521-6530. 6580-6584.

Further argument as to the inexpediency of imposing countervailing duties upon sugar; approval of meeting the injury to the refiners by a direct subsidy from the State rather than by the imposition of such duties, *Sir L. Mallet* 6542-6556. 6550. 6563. 6572-6584. 6609-6612. 6615.

Strong disapproval of a policy of threatening a system of countervailing duties without the intention of carrying it into effect; belief that foreign governments would see through such a policy, and would shape their action accordingly, *Sir L. Mallet* 6574-6576.

See also *Austro-Hungary*, 4. *Belgium*, 3. *Bounties*. *Conferences and Conventions*. *France*. *Free Trade*. *Holland*. *Moist Sugar*. *Price*, 4. *Raw Sugar*. *Refiners*. *Refining in Bond*. *Spirits*. *Tobacco*. *United States*. *West Indies*.

Crystals

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Crystals (Crystallised Sugar). Very little export of crystals from France, *Duncan* 981—Crystals are the very finest white sugar in a crystalline form, *ib.* 962-964.

Explanation with reference to the increased manufacture of crystallised sugar, which is so pure that it is preferred for many purposes to loaf sugar, *Peters* 2462-2471—Comparison drawn between cane and beetroot in regard to the amount of crystallisable sugar obtainable from each; advantage on the side of the former, *Lubbock* 3236-3241. 3426.

Cuba. Great diminution in the supply of cane sugar from Cuba, *Duncan* 1042. 1050. 1219—Statement that no cane sugar-producing countries interfere with the West Indian sugar growers except Cuba and Brazil; amount produced by these countries, *Hill* 2724-2729. 2738. 2739—Increased production of Cuban sugar caused by the large amount of slave labour, *Lubbock* 3158. 3504. 3505. 3513.

Amount of annual export from 1844 to 1878, inclusive, *App.* 403.

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Customs Consolidated Act. Restrictions which apply equally to all the world under the Customs Consolidated Act, whether there be a "favoured nation clause" or not; explanation in regard to such restrictions, *Walpole* 5726-5736.

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De Mot, Leon. (Analysis of his Evidence.)—Is a raw sugar manufacturer in France; also grows beetroot, 4232, 4233—Agrees generally with the evidence given by M. Georges and M. Fouquet, 4234, 4235. 4266; 4267—Dissents from M. Fouquet with regard to the calculation of the bounty resulting from refined *poudres blanches*, 4236-4243.

Decided opinion that it is useless to expect any convention to be agreed to that does not contain a clause for a countervailing duty; belief that if England will take the initiative there will be no difficulty in obtaining a convention to abolish bounties, 4244-4265. 4268-4270—Statement that if England does not assent to a convention, with the countervailing clause, the effect will be that France must have a bounty, else half the manufactories will be closed; discontinuance already of several establishments on account of the absence of profits, 4250-4252. 4271-4285.

Demerara. Reasons for Demerara sugar fetching a higher price than refined beetroot loaf sugar; peculiar and superior quality of the former as compared with Barbadoes sugar, *Hill* 2647-2672—Fitness of Demerara sugar for immediate use without passing through a refinery, *ib.* 2662-2666.

Large increase in the exports of sugar from Demerara and Trinidad from 1865 to 1876; retrogression in the last two years, *Hogg* 3855-3866—Opinion that Demerara alone could supply the whole consumption of this country, *ib.* 3868.

Further statement as to the production of sugar in Trinidad and Demerara in 1865 and in 1873, *Hogg* 4293-4296—Exports from British Guiana to the United Kingdom in the years 1865 and 1876, *ib.* 4297, 4298—Statistics of the production of sugar in Demerara in further explanation of the statement that that Colony alone could supply the entire consumption of Great Britain, *ib.* 4311-4318. 4411. 4453.

Possibility in certain of the West Indian colonies for the production to be slightly increased by means of improved appliances and additional capital; this could not be the case in Demerara, which is as well found in machinery as any place in the world, *Hogg* 4436. 4443-4446—French machinery adopted on one of ten estates owned by witness, with the object of imitating the sugar required for the French market; comparative success of this experiment, *ib.* 4436-4442. 4475-4479. 4523-4529. 4607—High opinion of the cultivation in Demerara expressed by an able agriculturist, who is now factor to the Duke of Argyle at Inverary, *ib.* 4446, 4447. 4483. 4486, 4487.

Employment by the Court of Policy in Demerara of a chemist to obtain information as to the process of manufacture in every sugar producing country in the world, *Chambers* 5300, 5301—Superior character of the Demerara vacuum pan sugar; higher price obtained in the market for this sugar than for beetroot sugar, *ib.* 5304-5306. 5321.

Demerara sugar the only raw sugar in England which is consumed without being first passed through a refinery, *Martineau* 6130, 6131.

Amount of export from British Guiana to the United Kingdom in each of the years 1831 to 1877, *App.* 403.

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Denmark. Considerable export of sugar from the Clyde to Denmark; question hereon as to this being in competition with bounty-fed sugar from Germany, *Neill* 1573, 1574-1589-1592.

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Duncan, James. (Analysis of his Evidence.)—Experience of witness in sugar refining since 1858; he is chairman of the Sugar Refiners' Committee, 916-620—Business of witness' firm chiefly in moist sugar; limited production of loaf sugar, 920-923. 926—Recent period at which the firm commenced loaf sugar refining; inducement to do so through the prospect of a change in the French law, 924-928. 934-936.

Diminution of the frauds which existed at one time in France in connection with the bounties, 927, 928—Agitation on the part of the *fabricants* in France for the abolition of bounties, 928, 931, 932—Distribution of the bounty between the refiners and the *fabricants* in France and the consumers, 929-933—Restricted production of loaf sugar by witness' firm, as only a limited quantity can be sold at a profit, 937-941—Advantage as regards competition in the refinery being in London; facilities thereby on the score of carriage, 944-946. 1123-1136.

Very large importation of loaf sugar from America as well as from France; explanation hereon as to the bounty system in the States, 948-959—Much larger bounty in America until the detection of frauds in connection therewith, 951-956—Reasons why the bounty, as in France, does not greatly affect the production of moist sugar in this country; failure of an attempt in France to apply the system of bounties to moist sugar, 960-966.

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Fairness of a countervailing duty on sugar from all countries not refining in bond; opinion that such duty would not be opposed to the principles of free trade, 985-987. 1086-1088. 1170-1173—Consideration of the difficulties in the way of a countervailing duty; reference more especially to the countervailing duty on spirits, 987-1009. 1032-1038. 1051-1085. 1165, 1166.

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Facility in growing beetroots, and producing beetroot sugar profitably in England, but for the bounties on the Continent, 1017-1020. 1025-1027. 1039-1050. 1147—Effectiveness and fairness of the polariscope, as used abroad in the assessment of the duties, 1021-1024. 1028-1031—Difficulties of a countervailing duty in so far as it should be varied with direct reference to the different bounties in operation, 1032-1038. 1051-1072—Doubt as to cane sugar competing profitably with beetroot sugar at the present time; expected decrease in the import of the former, witness believing that it has already declined, 1039-1050. 1162-1164.

Difficulty as regards Germany and America, even though bounties were abolished in France, 1073-1075—Respects in which analogy does not hold good as between the sugar bounties and the export duties in foreign countries upon rags used in paper manufacture, 1088-1097. 1174-1177—Advantage given formerly to the producers of slave-grown sugar; question as to this being analogous to the bounty system, 1098-1106.

Statement as to there being no duty in the United States on Louisiana sugar, or on sugar from the Sandwich Islands, 1107—Production of about 15,000 tons yearly in the Sandwich Islands, 1108—Dissent from the view that refining in bond in the States would involve considerable difficulty, 1109-1115.

Primary importance further attached to refining in bond, 1116-1121—Beneficial effect of a threat to impose countervailing duties; that is, with a view to foreign refining in bond, 1122. 1158—Doubt as to any prejudicial effect upon production in the West Indies, if by removal of foreign bounties beetroot sugar could be produced in England in healthy competition with cane sugar, 1137-1147. 1160, 1161—Very complicated system of bounties and drawbacks in Austria; belief that the amount of bounty is about the same as in Germany, 1148-1150.

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the report of the Commission on the Sugar Bill; strong confirmation therein of the case of the British refiners, *Martineau* 502-519. 527.

Further memorial from the refiners to the British Government in March 1873, recapitulating reasons for the holding of another conference, and for delaying the progress of the French Government law, *Martineau* 520-533—Resolution of the conference of 1873 that France should at once establish an exact correlation between the duties and the yields fixed for exportation, *ib.* 544.

5. *Question more especially as to Refining in Bond; Measures proposed, and Action taken, for this Purpose, but without Success:*

Agitation on the part of the French *fabricants*, previously to the agitation in England, against the system of classification by colour, and in favour of refining in bond, *Martineau* 283-292—Remedy proposed in the British refiners' memorial of 24th February 1872, by means of refining in bond, or working under Excise regulations, no duty being levied and no drawback allowed on sugar from the refineries for export, *ib.* 294-304. 311.

Entire control to be exercised by the Excise officers under a system of refining in bond; similar supervision already exercised in the numerous raw sugar manufactories, *Martineau* 302, 303. 306-309—Few sugar refineries in France as compared with sugar factories, the latter now working in bond, *ib.* 307-309.

Memorial of the French *fabricants* to Government on 24th February 1872, praying that international negotiations be opened with a view to the adoption of refining in bond; favourable reception of this proposal in Belgium and Holland, *Martineau* 318-323—Memorial also from the society of agriculturists of France, advocating refining in bond, *ib.* 365.

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Importance attached to the Report of the Parliamentary Sugar Commission appointed upon an amendment moved in the Assembly in favour of refining in bond; favourable conclusion arrived at by the Commission, *Martineau* 504-508. 521-523. 563-565.

Further memorial from the British refiners on 29th August 1873, again recapitulating reasons in support of refining in bond, *Martineau* 562-566—Several reasons for concluding that France was bound to adopt refining in bond in lieu of her present system of duties, *ib.* 563-565.

Importance attached to the passing of a law in the French Assembly in March 1874, establishing refining in bond; witness cannot explain why this law was never carried out, *Martineau* 590, 591. 635-637—Strong argument in the fact that Excise supervision was already in operation in 500 factories in France, *ib.* 596. 599.

Exceedingly important character of the debate in the French Assembly in February and March 1874, which resulted in a resolution carried by a large majority, establishing refining in bond from July 1875, *Martineau* 621-637. 662. 667-669. 675—Memorial from the sugar refineries to Government on 2nd and 4th March 1874, urging that the resolution of the French Assembly in favour of refining in bond should be at once carried out; argument that this would be perfectly consistent with the Convention of 1864, *ib.* 638-650.

Information relative to the correspondence between the English and French Governments upon the question of a speedy enforcement of the law establishing refining in bond; delay urged on the part of France as necessary for formulating the regulations on the subject, *Martineau* 663-674. 679—Grounds for strongly objecting to the French regulations eventually prepared in connection with refining in bond; the regulations were, in fact, so framed that a drawback was still maintained on the export of refined sugar, *ib.* 679-684—Nor was any action taken under the regulations, *ib.* 681, 682—Inconsistency of the French regulations with the law for establishing refining in bond, *ib.* 684.

Refusal of France in 1876 to reopen negotiations on the basis of refining in bond, though willing to come to an arrangement on the basis of saccharimetry; comment upon the action of France in the matter, *Martineau* 743-759.

Strong movement in France and in the National Assembly subsequently to the Conference of 1876; action taken by about 100 deputies in favour of refining in bond being taken as the basis of a treaty in accordance with the law of March 1874, *Martineau* 777-781—Result of the Conference of March 1877 that a Convention was agreed to whereby France agreed to limit the assessment of a preliminary duty to the amount of raw sugar destined after leaving the refinery, for home consumption, *ib.* 787, 788—

Explanation

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5. *Question more especially as to Refining in Bond, &c.*—continued.

Explanation that the Convention of 1877 does not establish in France the complete system of refining in bond advocated by witness, *Martineau* 860-864.

Willingness of French refiners and sugar growers to come under refining in bond in conjunction with a countervailing duty, *Martineau* 887, 888—Explanation with further reference to the preliminary duty proposed in France on raw sugar entering the refineries, in connection with a system of refining in bond; drawback involved, *ib.* 908.

Belief as to the willingness of the Paris refiners to come under a system of refining in bond, *Gadesden* 1464—Circumstance of the French Assembly having, by a large majority, resolved that bounties should no longer be paid, *Shepherd* 1851, 1852.

Opinion that the French *fabricants* would willingly agree to a countervailing duty, which, though temporarily injurious to themselves, would ultimately prove a general benefit by bringing about a settlement of the bounty system, *Lubbock* 3590-3597.

Reasons for the failure of the last Convention; opposition no longer exists to refining in bond, *Georges* 4036-4039. 4047-4053. 4076, 4077—Agreement come to in Paris that the refiners assent to refining in bond; one of the essential conditions in this agreement is, that in any international convention there shall be a clause stipulating for a surtax upon bounty-fed sugar, *Fouquet* 4084-4096. 4196, 4197. 4214-4217.

Statement that if England does not assent to a Convention with the countervailing clause, the effect will be that France must have a bounty, else half the manufactories will be closed; discontinuance already of several establishments on account of the absence of profits, *De Mot* 4250-4252. 4271-4285.

Assurance by France in 1864 that the complaints of the English refiners as to the mode of obtaining bounties would be remedied by means of refining in bond, *Walpole* 4853. 4862-4864—Agreement come to by French refiners to go into bond upon the condition that a surtax be placed on sugar from those countries which do not enter into the Convention, *ib.* 4925-4929—Desirability, in the event of the imposition of a countervailing duty upon bounty-fed sugar, that the duty in relation to France should be only upon refined sugar, *ib.* 5246-5249.

6. *Communications from M. Léon Say :*

Letter from M. Léon Say, dated 29th April 1879, relative to the production of sugar in France, and the growing export from Austro-Hungary to Great Britain, *App.* 368, 369.

Further information in detail supplied in communication from M. Léon Say to the Chairman of the Committee, dated 2nd July 1879; *App.* 375-384.

7. *Information supplied by M. Jacquemart relative to the Austro-Hungarian System of Duties as affecting France :*

Paper prepared by M. F. Jacquemart, vice-president of the Central Committee of Sugar Manufacturers of France, dated April 1879, with reference to the sugar system of Austro-Hungary, and the operation of the bounties as regards France, *App.* 389-393.

Further statement by M. Jacquemart, dated 29th June 1879, with reference to the sugar system of Austro-Hungary and the Austro-Hungarian bounties, *App.* 394-398.

8. *Raw Sugar :*

Employment chiefly of raw beetroot sugar by the French refiners, *Martineau* 67, 68—Export of French raw sugar in bond, there being no bounty, *ib.* 76, 77—Surtax upon raw sugar imported into France from Germany or Austria, *ib.* 78, 79—Produce of more raw sugar in France than is required at home, so that there is a large export, *ib.* 80, 81.

Absence of bounty on raw sugar in France, all the sugar being made in bond, *Gadesden* 1519, 1520—Explanation that the refining trade would not be affected if the French put an export duty upon raw beetroot sugar without any export duty on refined sugar, *Duncan* 2357-2362—Non-existence of bounty in the case of raw beet imported from France, *Lubbock* 3318.

Existence at the present time of differential duties upon raw sugar coming into France from various countries; favourable conditions given to England as regards duties on goods on going into France, *Walpole* 4960-4962—Expediency of assisting the French in this matter by surtaxing, which would conciliate them, and would also assist our delegates in future conferences; offer of France to stop the bounty upon refined sugar if we will assist them in stopping the bounty upon raw sugar, *ib.* 4965-4972.

Statement that the French refiners have no desire to obtain cheap raw sugar from Austria as they have an ample supply of their own; assertion that the French refiner pays a lower price for his raw sugar than the English refiner, *Martineau* 6057-6059. 6075-6097.

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8. *Raw Sugar*—continued.

System of temporary admission of raw sugar, and beneficial results therefrom, *App.* 378–380.

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9. *Moist Sugar* :

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Reasons why the bounty, as in France, does not greatly affect the production of moist sugar in this country; failure of an attempt in France to apply the system of bounties to moist sugar, *Duncan* 960–966—Apprehension lest France may give bounties on the export of moist sugar, *Neill* 1542–1544—There is no import of moist sugar into England from France, *Easton* 1620, 1621.

Serious effect upon the English moist sugar trade if a bounty were paid to the growers in France, as it would probably lead to the introduction of *poudres blanches* at excessively low prices, *Martineau* 6198–6201.

10. *Beetroot Production* :

Information respecting the cultivation of beetroot in France; diminution in the production of beet at the present time, *Georges* 4064–4070—Particulars relative to the production per acre, the character of the soil required, &c., *Fouquet* 4198–4211. 4218–4223.

11. *Exports of Sugar* :

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12. *Saccharimetry* :

Expiration of the Convention of 1864 in July 1875, at which period (on 29th July) a law was passed establishing optional saccharimetry, *Martineau* 695–698—Belief that this change did not reduce the bounty, *ib.* 699—Further law passed on 30th December 1875 (when the Convention of May 1875 was ratified) introducing certain modifications in connection with optional saccharimetry; these modifications did reduce the bounty, *ib.* 699–703.

13. *Most Favoured Nation Clause (Commercial Treaty)* :

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Duty. *Holland*. *Mixed Commission of 1874*. *Price*. *Refiners*.
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Free Trade. Denial that a countervailing duty on bounty-fed sugar would be opposed to the principles of free trade, *Martineau* 889–896. 907, 908. 2348–2353; *Duncan* 985–987. 1086–1088. 1170–1173. 1198–1203; *Gadesden* 1287. 1381, 1382. 1414, 1415. 1441. 1473–1483; *Neill* 1553; *Easton* 1652–1656—Expediency of steps being taken for the abolition of bounties in the interest of the principles of free trade, *Shepherd* 1831, 1832; *Forster* 4672 *et seq.*; *Walpole* 5049, 5050; *Sir L. Mallet* 6492 *et seq.*

Decided opinion that a countervailing duty would in no way be a departure from free trade principles; argument on the contrary that the present state of things is a distinct infringement of the principle of free trade, *Lubbock* 3268, 3269. 3332; *Walpole* 4981, 4982.

Support of a system of free trade as regards the admission of sugar into England; expediency of the Government abstaining from interference with the conditions of production, *Forster* 4754–4770. 4787, 4788. 4797–4799. 4816—Argument that the principle of free trade is that production should go on where it can be most economically carried on, uninterrupted by fiscal arrangements, *Chambers* 5374. 5541–5546. 5589–5591.

Assertion that no tenet of free trade is violated by the imposition of an import duty upon any article of consumption which is produced abroad under artificial conditions, *Walpole* 5829–5831.

Strong convictions held by witness as to the soundness of the policy of free trade, *Sir L. Mallet* 6246—Free trade defined as a system by which the interchange of commodities

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Fryer's Concrete Company (Limited). See *Concrete Sugar*.

G.

Gadesden, Augustus William. (Analysis of his Evidence.)—Lengthened experience of witness as a sugar refiner; extensive business carried on by his firm until finally compelled, in 1875, to suspend refining operations on account of the injurious effect of the French sugar bounties, 1247-1259—Efficient conduct of the business, and excellence of the manufacture, notwithstanding which, successful competition with France was found impossible, though every effort was made to keep the refinery going, 1251-1259.

Prominent position occupied by witness as a refiner, he having been chairman of the London sugar refiners since 1864; 1260, 1261—Effect of the bounties in gradually excluding from the trade every one of the houses, with a single exception, which were in operation when witness first came to London (1832); great loss of capital involved, whilst several firms have been ruined, 1261-1266.

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Reasons of witness for objecting formerly to the Excise regulations in the case of soap; this does not now apply to sugar refining in bond, 1275-1283. 1294-1302. 1402-1406—Facility of Excise supervision at the present time as compared with 1862; advantage on this score of the general introduction of the centrifugal machine, 1280-1284.

Conclusion that if France, Belgium, and Holland would agree to a Convention establishing refining in bond, and undertaking to impose a countervailing duty on sugar from countries giving bounties, other countries would speedily be drawn into the convention, 1285-1291. 1316-1331—Denial that a countervailing duty is opposed to the principles of free trade, 1287. 1381, 1382. 1414, 1415. 1441.

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Argument that the gain to consumers under the bounty system is only temporary, and that enhanced prices will eventually result when cane sugar is driven out of the market by the bounties, 1360-1372. 1383-1385. 1485-1487—Several sources of supply of beet sugar; question of continued competition being thus secured, 1370-1380. 1416, 1417—Statement as to the consumers not getting the full amount of the French bounty; portion of the advantage which goes to the landed interest, 1386-1401.

Injustice of a uniform duty as compared with a scale of duties and a classification of sugar, 1410-1413—Impolicy and injustice in allowing one important industry of the mother country and of the Colonies to be ruined by artificial means, 1419-1421—Immense injury to the cotton trade if America chose to give an export bounty on cotton manufactures, 1421. 1439, 1440.

Extinction in time of the East Indian as well as the West Indian sugar trade if foreign bounties be continued, 1430, 1431—Prejudicial effect upon the consumer if there were a failure of the beetroot crop, after the cane sugar trade had been stopped, 1432-1435. 1515-1518—Belief that no practical difficulty would arise in the application of a countervailing duty, 1442, 1443.

Theory that the bounty in France is merely a return of the duty previously received, whereas the manufacturer really derives a considerable advantage, the Government being well aware of this, 1444-1447. 1465-1470—Explanation that witness does not urge refining in bond as indispensable, and suggests an alternative in the shape of a countervailing duty, 1448, 1449—Grounds for concluding that sugar is now being supplied at less than its cost on account of the bounty system, 1450-1453. 1485-1487.

Entire ability of this country to compete with France but for the bounties, 1453-321. 3 L 2 1455—

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1455—Successful competition with Spain if it traded in French sugar with this country, 1456, 1457—Absence of complaint as regards the legislative shortening of the hours of labour in the sugar and other industries, 1460, 1461—Reason why witness did not alter his refinery so as to turn out moist sugar, 1462—Belief as to the willingness of the Paris refiners to come under a system of refining in bond, 1464.

Evidence in further support of the view that countervailing duties would be in accord with the principles of free trade; several eminent authorities quoted to this effect, and adverse to the bounty system, 1473-1483—Circumstance of refining in bond having been already agreed to by the French, Belgian, and Dutch assemblies, 1484—Statement as to the last Convention having contemplated resort to a countervailing duty, or at least to measures of defence, 1488-1492. 1506-1509—Want of fair play for the successful cultivation of beetroot in England, 1493, 1494—Advantage in beetroot being produced close to the factories, 1495, 1496.

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Georges, François. (Analysis of his Evidence.)—Is President of the Central Committee of Raw Sugar Manufacturers in France; is also a sugar manufacturer and an agriculturist, 4029-4032.

Injurious effect of the bounty system in France upon trade and upon prices; belief that there is no hope of getting rid of bounties except by an international understanding, 4033-4035. 4055-4057. 4074—Reasons for the failure of the last Convention; opposition no longer exists to refining in bond, 4036-4039. 4047-4053. 4076, 4077—Critical position of the sugar industry in France, 4040-4044. 4062, 4063—The action of England upon this question is looked upon in France with great interest, 4045, 4046.

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Germany. Information relative to the system of levying the sugar duty, and of estimating the drawback; defects complained of, a bounty being really given on export of loaf sugar, *Martineau* 128-131. 135-146—Memorial from Magdeburg and Brunswick relative to the prejudicial effect upon German refiners through the French bounties, *ib.* 366, 367.

Information relative to the German sugar tariff, the mode of levying the duty on the beetroots, and amount of the drawback, *Duncan* 1010, 1011—Duties in Germany on foreign raw sugar and fine sugar respectively, *ib.* 1010—The bounties average 30 s. to 2 l. a ton, *ib.* 1010—Different amounts of drawback, *ib.*—Steps being taken by German refiners with a view to alteration of the drawbacks, *ib.* 1073.

Reference to, and quotation from, a petition of the German sugar refiners, asking for reduced bounties on raw sugar and increased bounties on refined sugar, *Duncan* 1232-1236.

Equality of the French and German sugar markets in regard to price; much larger amount obtained by England from the German markets, *Martineau* 6090-6096.

Report by Sir John Walsham, dated 7 June 1879, containing information in detail relative to the system of sugar duties, &c., in Germany, and supplying statistics on various points, *App.* 359-362.

Price list showing the average prices of different classes of sugar in the Magdeburg market from 1873 to 1878, *App.* 362.

Stipulations with regard to most-favoured-nation treatment of produce and manufactures in commercial treaty between Great Britain and Germany, *App.* 372.

Petition presented by the Committee of the Union of German Sugar Refineries to the Imperial Chancellor and the Council of the Confederation, *App.* 385-388.

Paper showing the quantity exported from Germany in different years, *App.* 399.

Amount of production of beet sugar in each of the years, 1868-79, *App.* 406.

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Gladstone,

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Gladstone, Right Hon. W. E. Letter from Mr. Gladstone supporting the view taken by the operatives in the sugar trade as to the importance of an abolition of foreign bounties, *Peters* 2434-2437.

Glasgow. Tabular statement of the imports of raw sugar and of refined sugar into the port of Glasgow in each of the years 1873-77; also of the exports in the same years, *App.* 333.—See also *Scotland*.

Gradation of Duties. Accomplishment of the object of a graduated scale of duties by means of refining in bond, *Chambers* 5610, 5611—Advantage of a graduated scale in the case of sugars of a low class, *Sir L. Mallet* 5695, 5696.

Impression that our sugar-growing colonies are injuriously affected in consequence of the abolition of the graduated scale; belief that the loss of this scale will tell more against the low-class sugar than against the high, *Sir L. Mallet* 6409-6423.

Greenock. Tabular statement of the imports of raw sugar and of refined sugar into the port of Greenock and Port Glasgow in each of the years 1873-77; also of the exports in the same years, *App.* 333.—See also *Scotland*.

H.

Hill, Thomas Daniel. (Analysis of his Evidence.)—Has a considerable knowledge of West Indian affairs based upon many years' connection with business in these colonies; is also Chairman of the West India Committee, and Chairman of the Colonial Bank, 2596-2604. 2893-2897.

Considerable depression in the West Indian Colonies at the present time; special advantages possessed by Barbados during the general depression in consequence of its large population, 2605-2610. 2721-2723—Flourishing state of the colonies between the years 1855 and 1872; 2606. 2820—Important character of the sugar industry in the West Indies; value of the estates in proportion to the profits obtained by the cultivation of sugar, 2611, 2612.

Serious deterioration in value of estates in the West Indies in consequence of having to compete with bounty-fed sugar; an estate at the present time could be purchased for the worth of the cattle and the movables upon it, 2612-2615. 2890, 2891. 2943. 2947. 2952.

Injurious effect upon the West Indies generally through the system of foreign bounties; belief that if this system is continued it must inevitably end in the extinction of cane-sugar growing, 2616-2628. 2636-2639. 2673-2683. 2692-2695. 2743-2754. 2768, 2769. 2776-2780—Opinion that the bounty system affects the West Indies more injuriously than it does the East Indies, 2620-2624—Numerous petitions presented to Parliament by the West Indian Colonies on the subject of the foreign bounties, 2625, 2626.

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Statistics in regard to the prices of sugar, taking the average of the last six years; in France loaf sugar is dearer than it is in England, excluding the duty, 2641-2672. 2687-2690. 2761-2765. 2803-2807—Reasons for Demerara sugar fetching a higher price than the refined beetroot loaf-sugar, 2652-2672—Circumstances under which the European consumers pay a portion of the bounties, 2680, 2681. 2808, 2809.

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less of its standard of quality, 2699-2704. 2802. 2845-2854. 2898-2900. 2971-2973. 2992-2997.

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Importation of sugar from Peru to the amount of 90,000 tons; dependence upon slave labour for any increase in the production of Peruvian sugar, 2730-2734. 2816-2819—Small quantity of raw sugar imported into England from France, 2781—Belief that on well-managed estates in the West Indies sugar is made more cheaply than anywhere else; for this reason supplies will never come from East India or China unless prices are higher than they are at present, 2793-2795.

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Further observations as to the expediency of imposing a countervailing duty of 3*l.* per ton upon all bounty-fed sugar coming into this country; opinion that this duty would have no effect in stimulating the cultivation of beetroot in this country for sugar manufacture, 3012-3019—Information respecting West Indian estates which have ceased cultivation during the past few years, 3020-3023—Contradiction of a statement in the "*Times*" that no sugar refineries in England have been shut up in the last two years, 3024, 3025.

Hittorf, M. Explanation in connection with the opinions expressed by M. Hittorf, a French sugar engineer, as to the cost of producing sugar in Europe, *Hogg* 4305-4310.

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1. *Conferences and Conventions relative to the System of Sugar Duties, and the Question of Refining in Bond; Comment upon the Action of the Dutch Government in the matter.*
2. *Advocacy of Refining in Bond by the Amsterdam Refiners.*
3. *Operation of the System of Duties and Bounties.*
4. *Exports of Sugar.*
5. *Beetroot, and Raw Sugar.*
6. *Favoured Nation Clause (Commercial Treaty).*

1. *Conferences and Conventions relative to the System of Sugar Duties, and the Question of Refining in Bond; Comment upon the Action of the Dutch Government in the matter :*

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LOAF SUGAR:

1. *Great Decrease of Loaf Sugar Refining in England.*
2. *Imports.*
3. *Consumption.*

1. *Great Decrease of Loaf Sugar Refining in England:*

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Further evidence as to the injury inflicted chiefly since 1864 by the foreign bounties upon the British refining trade; reference hereon to the way in which the bounty is obtained by refiners in France, *Martineau* 6000-6008. 6098-6102. 6142. 6157, 6158. 6223.

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Paper submitted by Mr. Lubbock showing the import of continental beet sugar, foreign cane sugar, and British cane sugar in 1862 and 1868, and in each of the years 1871-78, *App.* 404-406.

Annual production of raw sugar in the several Colonies and in Europe, in each year since 1853, *App.* 409.

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	<i>ventions.</i>	<i>Consumers.</i>	<i>Countervailing Duty.</i>	<i>Demerara.</i>
	<i>Holland.</i>	<i>Moist Sugar.</i>	<i>Price.</i>	<i>West Indies.</i>

Re-appointment of Committee. Recommendation that the Committee be re-appointed in the next Session of Parliament, *Rep.* iii.

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Reciprocity. Disapproval of the reciprocity theory; argument that every country has the right to prohibit imports, *Walpole* 5201-5204.

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Reduction of Duties. Considerable reduction of the sugar duties since 1864; increase in consumption partly owing to this fact, *Martineau* 6037-6041.

REFINERS (REFINED SUGAR):

1. *Representations on the part of Refiners as to the gradual Extinction of the Loaf Sugar Trade through the Action of the Foreign Bounties.*
 2. *Quantity of Raw Sugar used in the Refineries.*
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 5. *Views of Sir Louis Mallet upon the Question of Depression in the Trade.*
1. *Representations on the part of Refiners as to the gradual Extinction of the Loaf Sugar Trade through the Action of the Foreign Bounties:*

Existence of but one sugar refinery at the present time out of thirty which were working in 1864, *Martineau* 14. 20-26. 6005, 6006. 6113-6121.—Important effect of the operation of the foreign bounties since the change in the duties in 1864, in diminishing the loaf-sugar refining trade of this country, *ib.* 27. 110, 111.—Limited extent to which loaf-sugar refiners produce also moist sugar, *ib.* 41-46

Explanation as to there being two other loaf-sugar refineries in London besides that of witness now in operation; probable inducement to re-commence work through the improved price of refined sugar, *Martineau* 378-390.—Total of five or six houses yet left with machinery ready to go to work, *ib.* 391-393.

Recent period at which witness' firm commenced loaf sugar refining; inducement to do so through the prospect of a change in the French law, *Duncan* 924-928. 934-936.—Restricted production of loaf sugar by witness' firm, as only a limited quantity can be sold at a profit, *ib.* 937-947.

Lengthened experience of witness as a sugar refiner; extensive business carried on by his firm until finally compelled, in 1875, to suspend refining operations on account of the injurious effect of the French sugar bounties, *Gadesden* 1247-1259.—Efficient conduct of the business, and excellence of the manufacture, notwithstanding which, successful competition with France was found impossible, though every effort was made to keep the refinery going, *ib.* 1251-1259.

Effect of the bounties in gradually excluding from the trade every one of the houses, with a single exception, which were in operation when witness first came to London (1832); great loss of capital involved, whilst several firms have been ruined, *Gadesden* 1261-1266.—Reason why witness did not alter his refinery so as to turn out moist sugar, *ib.* 1462.

Practical extinction of loaf-sugar refining in this country, *Easton* 1766, 1767.—Limited production of moist sugar by witness' firm, *Martineau* 2139.—Experiment being made by Mr. Duncan in the production of loaf sugar as well as moist, *ib.* 2140-2142.—Contradiction of a statement in the "Times," that no sugar refineries in England have been shut up in the last two years, *Hill* 3024, 3025.

Additional information respecting the English refining trade; large amount of capital lying absolutely idle in the trade in consequence of the loss of business owing to the bounties, *Martineau* 6000-6008. 6018-6029. 6107-6133. 6202, 6203. 6228-6241.—Grounds for contending that the refining industry has not increased in proportion to the increase in the consumption, *ib.* 6027-6029. 6103-6107.

Explanation that the late increase in the sugar trade must not be taken as a sign of prosperity; argument that the closing of eight sugar refineries on the Clyde is a clear proof that the trade is not a prosperous one, *Martineau* 6202, 6203. 6222-6242.

2. *Quantity of Raw Sugar used in the Refineries:*

Use of about 200,000 tons of raw sugar annually in the English refineries, *Martineau* 15.

3. *Imports and Exports of Refined Sugar:*

Decline since 1876 in the exportation of refined sugar; the import has increased since 1862 as much as 1,000 per cent., *Sir L. Mallet* 6268-6303. 6333.

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4. *Memorials from the Refiners with reference to Conventions on the Subject of Foreign Duties and Bounties:*

Reference to a memorial from all the sugar refiners in the United Kingdom to the Treasury in 1872, as setting forth in detail the grounds of objection to the Convention of 1864, *Martineau* 200-211.

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REFINERS (REFINED SUGAR)—continued.4. *Memorials from the Refiners with reference to Conventions, &c.*—continued.

Amplified memorial submitted by the British refiners to the Treasury, dated 6th May 1872, the result of which was that Government agreed to take steps to call a conference for the modification of the Convention of 1864; *Martineau* 329-332. 370.

Rejection, by the British Government, of the protocol of May 1873; reasons submitted by the British refiners and by the West India Committee which may have induced Government not to ratify the protocol, *Martineau* 548. 551-553.

Reference in refiners' memorial of August 1873 to the approaching expiration in 1875 of the Convention of 1864; belief that no proposal was made for its renewal, *Martineau* 569-572.

Still further memorial from English refiners in October 1873 adverse to a continuance of the system under the Convention of 1864, *Martineau* 573.

5. *Views of Sir Louis Mallet upon the Question of Depression in the Trade:*

Grounds for the opinion that there does not exist at the present time any permanent or general want of prosperity in the sugar trade as a whole; admission, however, that particular branches of the trade may be suffering from causes which it may be possible to remove, *Sir L. Mallet* 5670-5688—Statistics having reference to the general state of the trade in each year from 1862 to 1877 inclusive; remarkable increase in these years in several branches of the trade, *ib.* 5671-5677.

Particular branches of the trade which have principally suffered from the general depression of business; causes which have brought about the decline in question, *Sir L. Mallet* 5678-5688—Conclusion that the loaf-sugar refining trade is undergoing a progressive process of extinction; depression, also, in the West India trade, *ib.* 5678. 6320-6333.

Difficulty in reconciling the similar complaints made by the British sugar refiners and the West Indian growers as to the injury experienced in consequence of the foreign bounties; supposition that the refiners benefit by the depression in price of the raw sugar, *Sir L. Mallet* 5709.

Further argument that the present inquiry has not become necessary on account of any decline in the foreign trade of the country, but only in consequence of depression in particular branches of British industry, *Sir L. Mallet* 6281-6287—Admission that if the refined sugar which we import takes the place of the sugar which we manufacture, it is an indication of depression in the refining trade, *ib.* 6281-6283.

See also *Austro-Hungary. Belgium. Bounties. Bristol and Plymouth. Cane Sugar. Capital. Competition. Conferences and Conventions. Consumption of Sugar. Countervailing Duty. Employment. France. Germany. Holland. Imports of Sugar. Loaf Sugar. Macfie & Sons. Manufacturing Processes. Moist Sugar. Price. Raw Sugar. Refining in Bond. Scotland. United States. West Indies.*

REFINING IN BOND:

1. *Conferences and Conventions between Great Britain, France, Holland, and Belgium; Conclusions arrived at as regards Refining in Bond.*
2. *Debates and Resolutions in the French Assembly; Law passed in 1874, but not enforced.*
3. *Unsatisfactory Regulations eventually adopted in France.*
4. *Views of French Fabricants and Refiners favourable to Refining in Bond.*
5. *Approval by the French Conseil Supérieur of the Principle of Refining in Bond.*
6. *Favourable Conclusion arrived at by a French Parliamentary Commission.*
7. *Views of British Refiners; sundry Memorials advocating Refining in Bond.*
8. *Evidence, generally, as to the great Value, and the Facility, of Refining in Bond, as a means of abolishing Bounties.*

1. *Conferences and Conventions between Great Britain, France, Holland, and Belgium; Conclusions arrived at as regards Refining in Bond:*

Evidence in detail relative to the negotiations, conferences, and conventions in 1863 and subsequently between France, England, Holland, and Belgium, with a view primarily to the abolition of bounties and the adoption of refining in bond, *Martineau* 168 *et seq.*—Comment upon the action of the French delegates at the conference of 1872 in objecting to refining in bond, *ib.* 449-451. 459-461. 467, 468.

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Condemnation of refining in bond by the conference of 1873, though advocated by the English delegates and approved of on the part of the Netherlands, *Martineau* 541. 548-550—Report made to Government by the British delegates at the conference of 1873; conclusion expressed that refining in bond was the only proper solution of the question, though they approved of recourse to saccharimetry, *ib.* 554-557.

Conference held at Brussels in May 1875, which resulted in a convention upon the basis of refining in bond, *Martineau* 674-679. 685-687—Effect of the convention of May 1875 that refining in bond was to be established in Holland and France, and that Belgium was to improve her existing system, *ib.* 685, 686.

Comment upon the refusal of France to agree to a further conference on the basis of refining in bond, *Martineau* 743-759—Result of the conference of March 1877, that a convention was agreed to whereby France agreed to limit the assessment of a preliminary duty to the amount of raw sugar destined, after leaving the refinery, for home consumption, *ib.* 787, 788.

Exceptional position of Belgium in objecting to refining in bond, *Martineau* 789-792. 6149-6152.

Reasons for the failure of the last convention; opposition no longer exists in France to refining in bond, *Georges* 4036-4039. 4047-4053. 4076, 4077.

Statement that the failure of all the negotiations upon the question was caused by the want of confidence that each country had in the other carrying out the system of refining in bond; if an identical system had been adopted for every country it would have been better, *Walpole* 4869-4877.

Proposal made by witness in his report that the Government should invite the several countries interested in the sugar question to enter into an international convention for the abolition of bounties, on the basis of refining in bond; belief that though serious difficulties would exist in carrying out such a settlement they would not be insurmountable, *Walpole* 5084-5100—Willingness of all foreign countries to adopt refining in bond with the exception of Belgium, *Martineau* 6147-6152.

2. Debates and Resolutions in the French Assembly; Law passed in 1874, but not enforced:

Importance attached to the passing of a law in the French Assembly in March 1874 establishing refining in bond; witness cannot explain why this law was never carried out, *Martineau* 590, 591. 635-637—Exceedingly important character of the debate in the French Assembly in February and March 1874, which resulted in a resolution carried by a large majority, establishing refining in bond from July 1875, *ib.* 621-637. 622. 667-669. 675.

Information relative to the correspondence between the English and French Governments upon the question of a speedy enforcement of the law establishing refining in bond; delay urged on the part of France as necessary for facilitating the regulations on the subjects, *Martineau* 663-674. 679.

Strong movement in France, and in the National Assembly, subsequently to the conference of 1876; action taken by about 100 deputies in favour of refining in bond being taken as the basis of a treaty, in accordance with the law of March 1874, *Martineau* 777-781.

Circumstance of the French Assembly having, by a large majority, resolved that bounties should no longer be paid, *Shepherd* 1851, 1852—Statement as to the principle of refining in bond having been assented to by the French, Belgian, and Dutch Assemblies, *ib.* 2063, 2064.

3. Unsatisfactory Regulations eventually adopted in France:

Grounds for strongly objecting to the French regulations eventually prepared in connection with refining in bond; the regulations were in fact so framed that a drawback was still maintained on the export of refined sugar, *Martineau* 679-684—Nor was any action taken under the regulations, *ib.* 681, 682—Inconsistency of the French regulations with the law for establishing refining in bond, *ib.* 684.

Explanation that the convention of 1877 does not establish in France the complete system of refining in bond advocated by witness, *Martineau* 860-864.

Statement with further reference to the preliminary duty proposed in France on raw sugar entering the refineries, in connection with a system of refining in bond; drawback involved, *Martineau* 908.

4. Views of French Fabricants and Refiners favourable to Refining in Bond:

Agitation on the part of the French *fabricants*, previously to the agitation in England, against the system of classification by colour, and in favour of refining in bond, *Martineau* 283-292.

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4. *Views of French Fabricants and Refiners, &c.*—continued.

Memorial of the French *fabricants* to Government, on 24th February 1872, praying that international negotiations be opened with a view to the adoption of refining in bond; favourable reception of this proposal in Belgium and Holland, *Martineau* 318-323—Memorial, also, from the Society of Agriculturists of France advocating refining in bond, *ib.* 365.

Evidence of the French *fabricants* before the Parliamentary Commission of Inquiry as to the entire facility and the expediency of refining in bond, *Martineau* 438, 439.

Willingness of French refiners and sugar-growers to come under refining in bond, in conjunction with a countervailing duty, *Martineau* 887, 888—Belief as to the willingness of the Paris refiners to come under a system of refining in bond, *Gadesden* 1464.

Opinion that the French *fabricants* would willingly agree to a countervailing duty, which, though temporarily injurious to themselves, would ultimately prove a general benefit, by bringing about a settlement of the bounty, *Lubbock* 3590-3597.

Agreement come to in Paris that the refiners assent to refining in bond; one of the essential conditions in this agreement, is that in any international convention there shall be a clause stipulating for a surtax upon bounty-fed sugar, *Fouquet* 4084-4096. 4196, 4197. 4214-4217—Readiness of the French refiners to go into bond, upon condition that a surtax be placed on sugar from those countries which do not enter into the convention, *Walpole* 4925-4929.

5. *Approval by the French Conseil Supérieur of the Principle of Refining in Bond:*

Conclusion arrived at by the Conseil Supérieur in favour, practically, of refining in bond, *Martineau* 444-447.

6. *Favourable Conclusion arrived at by a French Parliamentary Commission:*

Importance attached to the Report of the Parliamentary Sugar Commission, appointed upon an amendment moved in the Assembly in favour of refining in bond; favourable conclusion arrived at by the Commission, *Martineau* 504-508. 521-523. 563-565.

7. *Views of British Refiners; Sundry Memorials advocating Refining in Bond:*

Sundry memorials from the refiners in this country advocating refining in bond, *Martineau* 200-211. 293-304. 329-332. 490-501. 520-533. 562-566. 569-573. 638-661—Remedy proposed in the British refiners' memorial of 24th February 1872, by means of refining in bond, or working under Excise regulations, no duty being levied and no drawbacks allowed on sugar from the refineries for export, *ib.* 294-304. 311.

Statement showing the willingness of the whole body of British refiners, in 1872, to come under refining in bond, and to bear the cost of Excise supervision, *Martineau* 311-316. 360-362—Opposition made by refiners before the Select Committee of 1862 to a system of refining in bond; witness is not aware of the reasons for the objections then made, *ib.* 333-340—Further memorial from the British refiners on 29th August 1873, again recapitulating reasons in support of refining in bond, *ib.* 562-566.

Communication from the Board of Customs to the refiners on 31st October 1873, asking for a full statement of the views of the latter to be laid before the Government; reply thereto on 1st December to the effect that the case of the refiners had been fully set forth in the various memorials presented from time to time, *Martineau* 580-586.

Various alterations proposed to Government in the communication of 1st December by way of compromise, though refining in bond was again put forward as of primary importance, *Martineau* 587-590—Careful examination, by the refiners in their statement of 1st December 1873, of all the objections to refining in bond; reply to each of the difficulties put forward, *ib.* 594-599.

Memorial from the sugar refiners to Government on 2nd and 4th March 1874, urging that the resolution of the French Assembly in favour of refining in bond should be at once carried out; argument that this would be perfectly consistent with the Convention of 1864, *Martineau* 638-650—Memorial from the refiners on 30th March 1874, urging that if the sugar duties in this countries were removed, England should still be a party to a convention for doing away with bounties, *ib.* 651-654.

Long and careful consideration by the trade of the remedial measures desirable as regards the bounty system, the result being that refining in bond is held to be the only means for insuring the extinction of bounties, *Gadesden* 1267-1284. 1308-1315—Explanation as to witness having given evidence in 1862 adverse to refining in bond; several causes which have since induced him to hold his present views, *ib.* 1271-1284. 1292-1310. 1402-1409. 1463. 1497.

Circumstance of the Clyde refining trade having advocated, in 1853, the system of refining

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REFINING IN BOND—continued.

7. *Views of British Refiners, &c.*—continued.

refining in bond, though this was not then the view of English refiners, *Easton* 1773-1777.

Evidence to the effect that refining in bond does not involve great difficulties in working; explanation hereon as to the former views of influential refiners adverse to refining in bond, *Shepherd* 1915-1918. 1965-1983. 2045-2053.

Consideration of the extent to which, in 1862, the sugar refiners objected to refining in bond; in 1872 all the trade had become favourable to the system, *Martineau* 2264-2278. 2286-2292.

Assurance by France, in 1864, that the complaints of the English refiners as to the mode of obtaining bounties would be remedied by means of refining in bond, *Walpole* 4853. 4862-4864.

8. *Evidence, generally, as to the Great Value, and the Facility, of Refining in Bond, as a means of abolishing Bounties:*

Entire control to be exercised by the Excise officers under a system of refining in bond; similar supervision already exercised in the numerous raw-sugar manufactories, *Martineau* 302, 303. 306-309—Belief that refining in bond is the only way to put a stop to bounties, *ib.* 305—Few sugar refineries in France as compared with sugar factories, the latter now working in bond, *ib.* 307-309.

Grounds for the conclusion that there need be no apprehension of fraud in connection with refining in bond, *Martineau* 341-354—Absence of fraud under the system of working in bond in the factories in France, *ib.* 341-345—Facility in the practical working of refineries, concurrently with Excise supervision over the exit and entry of the sugar, *ib.* 355-359.

Several reasons for concluding that France was bound to adopt refining in bond in lieu of her present system of duties, *Martineau* 563-565—Strong argument in the fact that Excise supervision was already in operation in 500 factories in France *ib.* 596. 599—Sole object of refining in bond that there should be no drawback, *ib.* 682—Repeated establishment of the fact that refining in bond might be carried out without any injury to the manufacturer or refiner, *ib.* 796.

Conclusion that refining in bond is the only practical remedy for the existing grievance, *Duncan* 973-975. 1116—Primary importance further attached to refining in bond, *ib.* 1116-1121.

Circumstance of refining in bond having been already agreed to by the French, Belgian, and Dutch Assemblies, *Gadesden* 1484—Reference to refining in bond as the only means of doing away with bounties, *Neill* 1552. 1564—Conclusion that refining in bond is the only remedy for the bounty system, *Easton* 1626-1632—No appreciable increase of trouble or expense would be entailed, *ib.* 1631, 1632—Equal facility of refining in bond as of manufacturing in bond, *ib.* 1737-1740.

Decided opinion that there are no effectual means of stopping bounties except by manufacturing and refining in bond, *Lubbock* 3079, 3080—Advantages which would result from a system of refining in bond; belief that no other measure would satisfactorily abolish bounties, *ib.* 3541-3552. 3564-3570. 3654-3661. 3666-3668. 3762.

Decided opinion that the only mode of abolishing bounties is to refine in bond, *Fouquet* 4095, 4099. 4158-4161—Conclusion that if England were to impose a countervailing duty, refining in bond abroad would immediately follow; belief that refining in bond is the only means of absolutely abolishing bounties, *Forster* 4771-4774. 4814-4819.

Decided opinion that there is no other system but refining in bond which will have the effect of entirely abolishing bounties, though in some countries equivalents properly safeguarded may be accepted in lieu of refining in bond, with the express proviso that the duties be very low, *Walpole* 4896. 4909. 4911-4913. 5084-5133. 5179—Absence of difficulty in refining in bond, whether the sugar be for home consumption or for exportation; method by which the surveillance of the Customs would be exercised in passing it out of the refinery, *ib.* 5101-5105.

Admission that the evidence of Customs' officials before a former Committee was entirely opposed to the practice of refining in bond; opinion that the individuals who gave such evidence were unmistakably in error, *Walpole* 5106-5113.

Great importance of refining and manufacturing in bond as the only way to abolish the bounty system; belief that there would be no difficulty in regard to Excise supervision, *Chambers* 5454-5459. 5463-5496. 5519-5530. 5592-5618—Explanation of the circumstances which render refining in bond more free from difficulty at the present time than was the case in 1862, *ib.* 5592-5596. 5599-5602. 5606-5609—Non-objection to any country, which could show exceptional difficulty in refining in bond, coming under some other system which would equally have the effect of abolishing the bounties, *ib.* 5613-5618.

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8. *Evidence, generally, as to the great Value, &c.*—continued.

Further statement that there is no system which will abolish bounties except refining in bond; necessity also for producers to manufacture in bond, *Walpole* 5788-5790.

Grounds for the conclusion that no method of abolishing bounties will be successful except refining in bond, *Sir L. Mallet* 6266-6273. 6558-6560.

See also *Austro-Hungary*, 4. *Belgium*, 3. *Bounties*. *Conferences and Conventions*. *Countervailing Duty*. *France*. *Holland*. *Manchester Chamber of Commerce*. *Refiners*. *Saccharimetry*. *West Indies*.

Réunion. Recommendation made by the Governor of Réunion that the inhabitants should abandon sugar cultivation altogether, *Lubbock* 3225—Explanation with regard to the differential duty upon rum, *ib.* 3300-3302. 3351-3358.

Rum. Few estates in Demerara and Jamaica which, in spite of foreign bounties, might still be maintained in cultivation on account of the high class rum which is manufactured and helps to pay expenses, *Chambers* 5319. 5363.

Russia. Examination with reference to the apparent inconsistency of the English Government making a treaty with Russia in 1859, which contained the most-favoured nation clause, and afterwards in 1864, entering into a convention to which Russia was not a party, *Walpole* 5224-5234.

Report by Mr. Plunkett, containing information in detail relative to the system of sugar duties, &c., in Russia, and supplying duties on various points, *App.* 366-368.

Stipulations with regard to most-favoured nation treatment of produce and manufactures in commercial treaty between Great Britain and Russia, *App.* 373, 374.

Amount of production of beet sugar in each of the years 1868-79, *App.* 406.

Russian Wheat. Grounds for the conclusion that the importation of Russian wheat in 1854, through German ports, notwithstanding the certificates of origin, is not analogous to what might happen in the case of countervailing duties on sugar, *Martineau* 2095-2100.

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Saccharimetry. Conference held in August 1872, attended by delegates from France, Belgium, Holland, and England, the only result being a recommendation that the several Governments should cause inquiry into the question of saccharimetry, *Martineau* 448-472.

Objections urged by the British refiners in 1873 against the proposal for a system of optional saccharimetry; view of Sir Louis Mallet to the same effect, *Martineau* 527-532. 547—Protocol, dated 3rd May 1873, signed by all the delegates at the Conference in 1873, to the effect that whenever the actual yield of the sugar does not correspond with the colour recourse should be had to saccharimetry, *ib.* 539-547.

Establishment, in July 1875, of optional saccharimetry in France; belief that this change did not reduce the bounty, *Martineau* 696-699.

Comments upon the operation of the French law as to the exercise of optional saccharimetry, *Martineau* 731. 735-738—Risk of samples being falsified under any system of saccharimetry, whether imperative or optional, *ib.* 731—Willingness expressed by France in 1876 to re-open negotiations on the basis of saccharimetry; comment thereupon, *ib.* 743-759.

Strong objections on the part of England, Holland, and Belgium, to a system of saccharimetry, though strongly upheld by France at the Conference of 1876, *Martineau* 758-775.

Description of the French system of saccharimetry, and of the fallacious results to which liable; great difficulty in determining the quantity of crystallisable sugar obtainable from the raw sugar, *Martineau* 760-764. 782-784.

Considerable difficulties under a system of saccharimetry, *Duncan* 974-984—Inadequacy of a system of saccharimetry or of tests of any kind, *Gadesden* 1269. 1471, 1473; *Easton* 1627, 1628—Liability to evasion under any system of saccharimetry, *Neill* 1549-1551.

See also *France*, 12.

Sandwich Islands. Production of about 15,000 tons yearly in the Sandwich Islands, *Duncan* 1108—This goes entirely to San Francisco, and is free of duty, *ib.* 1107, 1108.

Say, Léon. Interview of witness with M. Léon Say with the object of inducing the French Government to put a stop to the bounty; statement by that minister that nothing could be done by France until Austria had agreed also to a similar course, *Peters* 2428-2433.

Say, Léon—continued.

Letter from M. Léon Say to M. Waddington showing that so long as the Austrian bounty exists it is impossible for the French refiner to compete with the British refiner without a bounty, *Sir L. Mallet* 5711.

Copy of letter from M. Léon Say, dated 29th April 1879, relative to the production of sugar in France, and the growing export from Austro-Hungary to Great Britain, *App.* 368, 369.

Further information in detail supplied in communication from M. Léon Say to the Chairman of the Committee, dated 2nd July 1879, *App.* 375-384.

Scotland. Total of seventeen refineries in Scotland, eight of which are now standing idle, whilst for some years past there has never been work for them all at the same time, *Neill* 1527-1534—There are fourteen refineries in Greenock, two in Glasgow, and one in Leith, *ib.* 1527.

Cessation of loaf sugar manufacture in Scotland owing to the competition of bounty-fed sugars from abroad, *Neill* 1535-1540—Ability of Scotland to compete with France in the loaf sugar trade, both at home and abroad, but for the bounties, *ib.* 1545-1548.

Statement showing a considerable increase since 1862 in the production of the Scotch refineries, the consumption of sugar having largely increased, *Neill* 1565-1567. 1570-1572—Information relative to the exports of moist sugar from the Clyde since 1862; large increase for some years, whilst in recent years there has been much depression in the trade, *ib.* 1570-1588—The consumption has largely increased, *ib.* 1571.

Large manufacture on the Clyde as compared with the export, the balance being accounted for by the home consumption, *Neill* 1597-1604—Re-opening of the eight Scotch refineries now standing idle if the moist sugar trade were a profitable one, *ib.* 1605-1608.

Shepherd, John. (Analysis of his Evidence.)—Is chairman of the British and Irish Sugar Refining Company, at Plymouth; represents also the sugar refiners of Bristol, 1778-1786.

Great reduction in the number of refineries in Bristol, and in the quantity of refined sugar production, 1787, 1788—Operation formerly of three refineries in Plymouth, whereas now there is only one; great reduction since 1864 in the production, 1787-1789. 1796. 1806-1810—Much larger proportion of pieces, or moist sugar, than of loaf sugar formerly produced at Bristol and Plymouth; moist sugar alone is now produced, 1790-1793. 1806. 1875-1877.

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Reference to a letter from the West India Committee on 28th November 1873, complaining of the effect of the French system of bounties upon sugar from British colonies, *Martineau* 619, 620—Probable extinction in time of the great bulk of the present supply, *Gadesden* 1366-1369—Grounds for concluding that a large portion of the West India trade is conducted at a loss, *Martineau* 2206-2211.

Considerable depression in the West Indian Colonies at the present time; special advantage possessed by Barbadoes during the general depression in consequence of its large population, *Hill* 2605-2610—Flourishing state of the West Indies between the years 1865 and 1872; *ib.* 2606. 2820.

Serious deterioration in the value of estates in consequence of having to compete with bounty-fed sugar; an estate at the present time could be purchased for the worth of the cattle and the movables upon it, *Hill* 2612-2615. 2890, 2891. 2943. 2947. 2952—Injurious effect upon the West Indies generally through the system of foreign bounties; belief that if this system is continued it must inevitably end in the extinction of cane sugar growing, *ib.* 2616-2628. 2636-2639. 2673-2683. 2692-2695. 2743-2754. 2768, 2769. 2776-2780—Numerous petitions presented to Parliament by the West Indian Colonies on the subject of the foreign bounties, *ib.* 2625, 2626.

Further information in regard to the depreciated value of sugar estates at the present time; cost to be incurred in bringing estates into re-working after cultivation has been given up, *Hill* 2856-2863. 2881. 2888-2891. 2922-2926. 2956-2959—Particulars respecting estates which have ceased cultivation during the past few years, *ib.* 3020-3023.

Material injury to the prosperity of the West Indies by the depression in the price of sugar; assertion that at the present prices sugar from the West Indies is not paying the cost of its production, *Lubbock* 3158, 3159—Depressing effect which the uncertainty of the last few years has had upon the sugar production, *ib.* 3216—Abandonment of sugar estates and refineries on account of the loss incurred in producing sugar, *ib.* 3374-3379.

Further evidence to the effect that the bounties, if continued, will stamp out the West Indian sugar trade; argument that when the competition of cane sugar would thus be removed, bounties would cease and there would be a higher level of prices, *Lubbock* 3532 *et seq.*; 3578-3582. 3428-3433. 3669-3672.

WEST INDIES—continued.1. *Concurrence of Evidence as to the Injurious Effect, &c.*—continued.

General abandonment of estates in the West Indies within the last year or two, on account of the owners not being able to grow sugar at a profit; impossibility for the bulk of the West Indian estates to pay their expenses at the present prices, *Hogg* 3856-3859. 3865, 3866. 3891. 3900-3904. 4017-4028.

Grounds for the statement that the West Indies lose six millions sterling by the continuance of the foreign bounties; calculation that the only advantage to the consumer in this country is a cheapened sugar to the extent of a million and a half sterling, *Hogg* 3874-3876. 3907-3928. 3988-3997. 4474. 4499, 4500—Occasional instances in which estates can produce sugar at a profit; assertion that taking the average of all estates they are producing sugar at a dead loss, *ib.* 4420-4432.

Further statement that sugar estates are being rapidly abandoned; contention that they have not lost the market through want of energy or enterprise, but that some extraordinary circumstance has affected the supply of cane-grown sugar throughout the world, *Hogg* 4596-4605.

Assertion that it will not be possible to continue cultivation in view of the present low prices; numerous estates which are being abandoned for this reason, *Forster* 4655, 4656. 4664, 4665. 4701. 4715. 4751-4753—Obstacle to bringing estates that have abandoned cultivation into re-cultivation; large amount of capital which would be required to recommence production, *ib.* 4668, 4669—Opinion that if the present Committee take no action in regard to the sugar question, a great number of the West Indian estates will at once be given up in the belief that the struggle is a hopeless one, *ib.* 4840-4843.

Considerable extent to which sugar has gone out of cultivation in Jamaica; machinery of the abandoned estates purchased by the Cubans, *Chambers* 5302, 5303. 5427—Information as to the serious difficulties experienced by the West India trade in consequence of the foreign bounties; grounds for the conclusion that the ultimate result will be to increase the price of sugar, *ib.* 5312-5320. 5332. 5360, 5361. 5363. 5367. 5369-5371. 5381.

Impossibility at present prices for sugar in the West Indies to be produced at a profit, *Chambers* 5317—Numerous estates which would have gone out of cultivation were it not for the hope that the Government would have succeeded in obtaining the abolition of the bounties, *ib.* 5318.

Belief that if the present Committee do not recommend a course leading to the abolition of the bounties there will be a general abandonment of estates; argument that if there were a cessation of the sugar industry of the West Indies, there would eventually result the extinction of the public revenue, *Chambers* 5318-5320. 5354-5359. 5263. 5379, 5380, 5389-5392.

Statistics regarding the trade and the increased revenue in recent years; assertion that an increase in the public revenue is not of itself an indication of prosperity, *Chambers* 5427-5441. 5509, 5510. 5619-5622. 5626-5647—Decided opinion that the general depression in this country, and in the world generally, is not the cause of the decrease in the growth of sugar in the West Indies, *ib.* 5442-5444. 5648-5651.

Belief that the bounty system is not the only cause for the decline in the West India raw sugar trade, *Sir L. Mallet* 5688—Necessity of considering the question of the extension of the capital of the West Indian growers in connection with the effect of the foreign bounties in deteriorating the price of West Indian sugar, *ib.* 6492-6495.

2. *Management of Sugar Estates, and Character of the Production; successful Competition with other Countries but for the System of Bounties:*

Concurrence of evidence as to the prospect of successful competition of West Indian sugar with beet sugar, but for the foreign bounties, *Martineau* 904; *Duncan* 1039-1050; *Shepherd* 1882-1889. 1908-1912; *Hill* 2927, 2928; *Lubbock* 3173. 3178, 3179. 3236-3241; *Hogg* 3870, 3871—Doubt as to any prejudicial effect upon production in the West Indies, if by removal of foreign bounties beetroot sugar could be produced in England in healthy competition with cane sugar, *Duncan* 1137-1147. 1160, 1161.

Assertion that there is no ground for supposing that there has been any want of enterprise or economy in the method of sugar growing, *Hill* 2634, 2635—Belief that, on account of the richness of the land in the West Indies, were it not for the bounties, those colonies could produce enough sugar to supply the whole of Europe; want of confidence as to the continuance of the bounties has however prevented the development of the industry, *ib.* 2682, 2683. 2740-2742. 2855. 2892.

Opinion that on well-managed estates in the West Indies sugar is made more cheaply than anywhere else; for this reason supplies will never come from East India or China unless prices are higher than they are at present, *Hill* 2793-2795—Argument that because the majority of owners are absentees, it is no reason that their estates are badly managed;

WEST INDIES—continued.

2. *Management of Sugar Estates, and Character of the Production, &c.*—continued. managed; the production of sugar on the estates of absentees is quite equal to that upon those of resident owners, *Hill* 2826–2837. 2909–2915. 2929–2933—Use of about a hogshead of coal in the production of a hogshead of sugar, *ib.* 2873–2876.

Circumstances under which some estates are capable of producing more economically than others, *Hill* 2960–2970—Additional statement that without bounties there would be no fear of competition with foreign beetroot sugar, *ib.* 2974–2992.

Statement that the cost of cultivation in the West Indies is between 20*l.* and 30*l.* per acre per annum; the yield of sugar would be about 1½ ton per acre, *Lubbock* 3031–3038. 3385–3392—Calculation that it would cost from 40*l.* to 50*l.* a ton for every ton of sugar produced upon new land, *ib.* 3218.

Assertion that sugar can be grown in the West Indies as cheaply as in any country in the world, *Hogg* 4302–4304—Reduction of wages the only mode by which the cost of cultivation could be lessened, *ib.* 4446—All the colonies in the West Indies are not equally capable of increasing their production of sugar, *ib.* 4459, 4460.

Occasional residence of proprietors on the estates, though absenteeism is the rule; first-rate men employed as agents in the large colonies at high salaries, *Hogg* 4469–4473.

The number of estates with which witness' firm (Thomas Daniel & Co.) is interested is between 300 and 400, situated principally in Barbados, *Chambers* 5293–5296. 5382–5385. 5404–5406—Large outlay by witness' firm, for the purpose of increasing the cultivation and improving the manufacture of sugar; superior character of the machinery in use in Demerara, *ib.* 5297–5299. 5407–5413—Report by a United States Commission as to the satisfactory mode of sugar manufacture in the West Indies, *ib.* 5300.

Competency of the West Indies to supply sugar that would hold its own against the production of any other country, *Chambers* 5375–5377—Facility for the production being materially increased, if necessary, in a very short time, *ib.* 5378, 5379—Economic management of the smaller estates, *ib.* 5386, 5387—Superior quality of the sugar manufactured in Barbados, *Hill* 2838, 2839.

3. *Labour Supply:*

Disadvantages in the West Indies on account of the want of labour; difficulties raised by the Colonial Office in regard to employing coolies, notwithstanding their willingness to emigrate, *Hill* 2696–2698. 2786–2792. 2864–2872—Difficulty of obtaining skilled labour to superintend the manufacture of sugar, *ib.* 2864. 2877–2880.

Importation of labour under an obligation for its exportation again at a certain time, *Lubbock* 3192, 3193—Absence of serious difficulty in obtaining labour, *ib.* 3333–3335—Considerable fluctuations in the sugar crops from year to year; great scarcity of labour in some parts of Jamaica, which causes a decrease of crop, *ib.* 3517–3526.

Information respecting the commercial condition of British Guiana and Trinidad; settlement of the labour question in these places, and consequent prospect of a fair trade, *Hogg* 3854–3860—Further information respecting the difficulties of the labour question; statement that it takes 2,000 free labourers to do the work of 500 slaves, *ib.* 4286–4288. 4383–4400. 4451–4458—Variation of wages all over the West Indies; explanation of the fact that a fall of wages increases the supply of labour, *ib.* 4289, 4290. 4387. 4456—Disinclination of the negroes to work in the sugar plantations; the fear of starvation is, in fact, the only inducement for the present generation of negroes to work, *ib.* 4387–4389.

Additional observations in regard to the difficulties of the labour question; it would take three or four years to set up a sugar estate with any kind of labour whatever, *Hogg* 4491–4498.

Non-existence of serious difficulty in regard to the labour question in the West Indies; occasional difficulty in the case only of Jamaica, *Chambers* 5364. 5372, 5373. 5414–5421.

4. *Incumbrance on Estates, and Transfer of Land:*

Numerous instances in the West Indies in which estates are encumbered by charges of different characters; way in which these incumbrances operate against sugar production, *Lubbock* 3822–3824.

Absence of difficulty as a rule in the West Indies in regard to incumbrances on the estates; existence of incumbrance chiefly in Barbados, *Hogg* 4448–4450—Facility which exists for the transfer of land; explanation of this system, which is probably the best in the world, *ib.* 4502–4504.

WEST INDIES—continued.

5. *Primary Importance of Sugar Cultivation, as the Staple Production of the West Indian Colonies:*

Specially important character of the sugar industry; value of the estates in proportion to the profits obtained by the cultivation of sugar, *Hill* 2611, 2612—Statement that the production of sugar is the staple trade of the West Indies; estimate that there is one man employed for every hogshead of sugar produced, *Lubbock* 3188-3194. 3311-3314—Various other industries occasionally tried, but, to a great extent, eventually abandoned for sugar, *ib.* 3189. 3312-3314.

Dependence of the revenue taxation and Government of Trinidad, Barbadoes, and Demerara upon the sugar industry; serious effects upon the population if this cultivation were to become practically extinguished, *Lubbock* 3191-3194.

Insignificant character of the production of the West Indies as regards any commodity other than sugar, *Hogg* 4395-4397—Impossibility of utilising a sugar estate for any other crop if thrown out of cultivation, *Forster* 4716-4719.

Statement that in Jamaica the exports of sugar and rum are quite one-half of the whole exports; argument from this fact that any increase in the export of these articles would have a very important effect upon the inhabitants of that colony, *Chambers* 5642-5647.

6. *Production and Export:*

Immense increase of consumption of sugar in England, whilst the import from the West Indies has continued almost stationary, *Duncan* 1241-1243—Statement of the quantity of sugar exported from Demerara and Trinidad in the years 1865 and 1876; decrease in the last two years, *Hogg* 3855-3864.

Production by witness of a diagram showing the proportions of English slave-grown and beet sugar introduced on an average between the years 1852 and 1861; import an fact shown by this paper, that while there has been a diminution in the supply from the British West Indies, that from the foreign tropics has more than doubled, *Hogg* 3966-3969-3980—Statement of the production in the whole of the West Indies at the present time as compared with ten years ago, *ib.* 4433-4435—Increased crop in the West India Colonies in consequence of the high prices in the home market in 1876-77; *Chambers* 5325.

Quantities of sugar imported from the British West Indies into the United Kingdom in each of the years 1843 to 1878, inclusive, *App.* 401.

Amount of annual export from the West Indies and British Guiana from 1844 to 1878, inclusive, *App.* 403.

Amount of import into the United Kingdom from the British West Indies and Guiana in each year from 1825 to 1842, inclusive, *App.* 403.

7. *Price:*

Explanation of the variation in price in the years 1865, 1870, and 1875; enhanced price at the end of 1876, through the failure of the beetroot crop, *Hogg* 4299-4301.

Comparative value of fair refining West India Muscovado sugar on the 1st of each month during the years 1858 to 1879; *App.* 402.

8. *Injurious Effects generally of an Extinction of the West Indian Cane Supply:*

Great injury to English refiners if the supply of raw sugar from the West Indies were seriously diminished, *Martineau* 899. 900—Concurrence of evidence as to the importance of continued supplies of cane sugar from the West Indies, *Duncan* 971, 972. 1039-1050; *Shepherd* 1858, 1859. 1923, 1924. 1963, 1964; *Lubbock* 3178, 3179. 3212, 3213. 3224-3226. 3532 *et seq.*

Argument that if cane sugar were to be driven entirely out of the market the effect would be the ruin of the West India Islands, without any ultimate advantage in price to the consumer in this country, *Lubbock* 3217. 3224-3226—Grounds for the opinion that if sugar were to go out of cultivation in the West Indies, the diminution on the production would be extremely rapid, *ib.* 3219-3222—The United Kingdom is practically the only market for West India sugar, *ib.* 3230.

Further evidence as to the injurious effect generally of the present condition of the sugar trade; exceptional instances in which estates are paying a fair amount of profit, *Lubbock* 3428-3433. 3532 *et seq.*; 3799-3824.

9. *Very prejudicial Result as regards the Negro Population:*

Effect of abandoning sugar cultivation in Jamaica that a large portion of the native population would lapse into barbarism; abandonment of Christianity would also follow upon such a state of things, *Hogg* 4390-4395.

Conclusion

WEST INDIES—continued.

9. *Very Prejudicial Result as regards the Negro Population*—continued.

Conclusion that a restriction of the West Indian industry would have a disastrous effect upon the negro population; belief that they would certainly relapse into a state of semi-barbarism, *Chambers* 5350-5352. 5425, 5426.

10. *Question of a Bounty on Imports from the West Indies:*

Advantage given formerly to the producers of slave-grown sugar; question as to this being analogous to the bounty system, *Duncan* 1098-1106.

Strong disapproval of this country giving any bounty upon sugar coming from the West Indies; the probable result of such a course would be a war of tariffs, and that, as foreign bounties increased, so would ours to meet them, *Forster* 4705, 4706. 4709-4714. 4826-4832.

11. *Claim upon the Imperial Government for a Remedy of Grievances; important Benefit to the Mother Country as well as to the Colonies:*

Encouragement given by the present Government to the West Indian sugar growers to expect that something would be done to remedy their grievances; allusion made to the subject by Mr. Pope Hennessy, in a speech opening the Legislature at Barbados, *Lubbock* 3213-3216.

Letters from Sir A. Musgrave, Governor of Jamaica, and from Lieutenant Governor Dundas, of Barbados, calling the attention of the Home Government to the evil effects of the foreign bounties upon West Indian trade, *Lubbock* 3841-3843.

Special claims of the British West Indies upon the consideration of the Imperial Government; the principal claim is that the West Indians are British subjects, *Hogg* 3882-3885. 3929-3933. 3998-4000—Statement that the natural result of the West Indies sending more sugar to this country would be that they would take more manufactured goods from us in return; machinery supplied to Demerara in the last twenty years to the amount of a million and a quarter sterling, *ib.* 3888-3890.

Decided opinion that it would be the gravest misfortune to the West Indies if the money spent there upon labour should cease to be so spent; contention that the West Indies, if put upon a fair basis with regard to the Continent, will become a very great and permanent source of revenue and profit to this country, *Hogg* 4319-5326. 4373-4375.

Statement as to the West India sugar imported into England being principally paid for by means of exports of goods from this country, *Chambers* 5333-5334—Numerous English trades which would be injuriously affected by a cessation of the production of sugar in the West Indies, *ib.* 5338. 5560, 5561—Argument that the transfer of the labour and the money spent on labour in the West Indies would also be a great injury to British subjects, *ib.* 5339, 5340. 5559, 5560.

12. *Movement in favour of Annexation to the United States:*

Possible agitation in the West Indies for annexation to America if the present Committee do not recommend some change for the benefit of the sugar industry; every inducement, from a money point of view, for the West Indies to become an American rather than an English colony, *Lubbock* 3287-3291. 3382-3384—Expression of doubt as to whether the West Indies can make treaties independently of the Home Government, *ib.* 3288-3297.

Further observations regarding the possible advantages to the West Indies by means of annexation to America; overtures made by the United States to the colony of Demerara, *Lubbock* 3711-3713—Strong opinions expressed by West Indians that on account of the hard treatment received from the mother country it would be better for them to go with the United States, *ib.* 3713.

Possibility of an agitation in the West Indies for annexation to the United States if things continue in the present condition; belief that if America were to give facility for the export of sugar from the West Indies, it would add enormously to the value of the estates, *Hogg* 3882-3885. 3999. 4001, 4002.

Further explanation as to the advances made by the American Government to the West Indies in regard to annexation; inclination towards this annexation by West Indians on account of the continued disastrous state of the sugar trade, *Hogg* 4358-4371. 4376-4382.

13. *Treaty proposed between Barbados and Canada:*

Information respecting the proposed reciprocal treaty between Canada and Barbados; this treaty disallowed by the Home Government, on the ground that the Colonies have no right to make treaties themselves, *Hogg* 3892-3897. 3955-3958. 4003.

Report, 1879—continued.

continued.

the Colonies:

at the system of *usines* in the French West Indian islands has not
 2840-2844—Information as to the French Colonies in the West
 at they are not so prosperous as Demerara, *Hogg* 4461-4468. 4608-

tro-Hungary, 1.	Bounties.	Cane Sugar.	Colonial Company.
	Consumption of Sugar.	Countervailing Duty.	Demerara.
n Sugar.	France.	Holland.	Moist Sugar.
Refiners.	Refining in Bond.	Rum.	Rice.

R E P O R T

FROM THE

SELECT COMMITTEE

ON THE

SUMMARY JURISDICTION BILL;

WITH THE

PROCEEDINGS OF THE COMMITTEE.

*Ordered, by The House of Commons, to be Printed,
29 April 1879.*

Ordered,—[*Thursday, 27th February 1879*]:—THAT the SUMMARY JURISDICTION BILL be read a second time, and committed to a Select Committee.

Select Committee nominated—[*Tuesday, 18th March 1879*]—of—

Mr. Secretary Cross.	Mr. Courtauld.
Mr. Dodson.	Mr. Spencer Stanhope.
Mr. Attorney General.	Colonel Colthurst.
Mr. Attorney General for Ireland.	Mr. Floyer.
Mr. Watkin Williams.	Mr. Walter.
Mr. Hopwood.	Mr. Rodwell.
Mr. Woodd.	Sir Colman Rashleigh.
Mr. Paget.	

Ordered,—THAT Five be the quorum of the Committee.

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R E P O R T.

THE SELECT COMMITTEE to whom the SUMMARY JURISDICTION BILL was referred ;—HAVE gone through the Bill, and made Amendments thereunto.

29 April 1879.

PROCEEDINGS OF THE COMMITTEE.

Friday, 21st March 1879.

MEMBERS PRESENT:

Mr. Secretary Cross. Colonel Colthurst. Mr. Rodwell. Mr. Hopwood. Mr. Paget. Mr. Spencer Stanhope.		Mr. Dodson. Mr. Walter. Mr. Floyer. Sir Colman Rashleigh. Mr. Courtauld.
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Mr. SECRETARY CROSS was called to the Chair.

The Committee deliberated.

[Adjourned till Friday next, at Twelve o'clock.]

Friday, 28th March 1879.

MEMBERS PRESENT:

Mr. SECRETARY CROSS in the Chair.

Mr. Hopwood. Mr. Rodwell. Mr. Woodd. Sir Colman Rashleigh. Mr. Paget. Mr. Spencer Stanhope.		Mr. Dodson. Mr. Attorney General for Ireland. Mr. Floyer. Mr. Courtauld. Mr. Walter. Mr. Watkin Williams.
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The Committee deliberated.

[Adjourned till Tuesday next, at Twelve o'clock.]

Tuesday, 1st April 1879.

MEMBERS PRESENT:

Mr. SECRETARY CROSS in the Chair.

Colonel Colthurst. Mr. Rodwell. Mr. Woodd. Mr. Paget. Mr. Spencer Stanhope. Mr. Dodson.		Mr. Attorney General for Ireland. Mr. Floyer. Mr. Hopwood. Sir Colman Rashleigh. Mr. Courtauld.
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The Committee deliberated.

[Adjourned till Friday next, at Twelve o'clock.]

Friday, 4th April 1879.

MEMBERS PRESENT:

Mr. SECRETARY CROSS in the Chair.

Mr. Rodwell.
Mr. Woodd.
Mr. Spencer Stanhope.
Mr. Walter.
Mr. Dodson.
Mr. Attorney General for Ireland.

Mr. Floyer.
Mr. Hopwood.
Sir Colman Rashleigh.
Mr. Courtauld.
Mr. Paget.
Colonel Colthurst.

Preamble postponed.

Clauses 1—3, *agreed to*.

Clause 4, amended, and *agreed to*.

Clause 5, amended.—Another Amendment proposed, to leave out in page 2, line 19, the words “five pounds,” in order to insert the words “forty shillings”—(Mr. *Spencer Stanhope*)—instead thereof.

Question put, “That the words ‘five pounds’ stand part of the Clause.”—The Committee divided:

Ayes, 5.

Mr. Rodwell.
Mr. Walter.
Mr. Attorney General for Ireland.
Mr. Hopwood.
Mr. Courtauld.

Noes, 5.

Mr. Woodd.
Mr. Spencer Stanhope.
Mr. Dodson.
Mr. Floyer.
Sir Colman Rashleigh.

Whereupon the Chairman declared himself with the *Ayes*.

Another Amendment made.—Amendment proposed, at the end of the clause, to add the words, “so that the term of hard labour awarded do not exceed the term authorised by the said Act”—(The *Chairman*).

Question put, “That those words be there added.”—The Committee divided:

Ayes, 5.

Mr. Rodwell.
Mr. Attorney General for Ireland.
Mr. Floyer.
Mr. Hopwood.
Mr. Courtauld.

Noes, 5.

Mr. Woodd.
Mr. Spencer Stanhope.
Mr. Walter.
Mr. Dodson.
Sir Colman Rashleigh.

Whereupon the Chairman declared himself with the *Ayes*.

Clause, as amended, *agreed to*.

Clauses 6—8, amended, and *agreed to*.

Clause 9.—Amendment proposed, in page 5, line 3, to leave out sub-section 4—(Mr. *Hopwood*).

Question put, “That the words ‘when the child is a male’ stand part of the Clause.”—The Committee divided:

Ayes, 11.

Mr. Rodwell.
Mr. Woodd.
Mr. Spencer Stanhope.
Mr. Walter.
Mr. Dodson.
Mr. Attorney General for Ireland.
Mr. Floyer.
Sir Colman Rashleigh.
Mr. Courtauld.
Mr. Paget.
Colonel Colthurst.

Noes, 1.

Mr. Hopwood.

Clause amended, and *agreed to*.

Clauses 10—13 amended, and *agreed to*.

Clause 14, amended.—Another Amendment proposed, in page 9, line 38, to leave out the words “for a period exceeding fourteen days”—(Mr. Hopwood).

Question put, “That the words ‘for a period’ stand part of the Clause.”—The Committee divided:

Ayes, 3.	Noes, 8.
Mr. Rodwell.	Mr. Spencer Stanhope.
Mr. Dodson.	Mr. Walter.
Mr. Attorney General for Ireland.	Mr. Floyer.
	Mr. Hopwood.
	Sir Colman Rashleigh.
	Mr. Courtauld.
	Mr. Paget.
	Colonel Colthurst.

Other Amendments made.

[Adjourned till Tuesday, 22nd April, at Twelve o'clock.

Tuesday, 22nd April 1879.

MEMBERS PRESENT:

Mr. SECRETARY CROSS in the Chair.

Mr. Rodwell.	Mr. Attorney General for Ireland.
Mr. Spencer Stanhope.	Mr. Hopwood.
Mr. Paget.	Sir Colman Rashleigh.
Mr. Walter.	Mr. Courtauld.
Mr. Dodson.	Colonel Colthurst.

Clause 14, further amended, and *agreed to*.

Clause 15, amended, and *agreed to*.

Clause 16, *disagreed to*.

Clauses 17—22, amended, and *agreed to*.

Clause 23, *postponed*.

Clause 24, amended, and *agreed to*.

[Adjourned till Friday next, at Twelve o'clock.

Friday, 25th April 1879.

MEMBERS PRESENT:

Mr. SECRETARY CROSS in the Chair.

Mr. Woodd.	Mr. Attorney General for Ireland.
Mr. Spencer Stanhope.	Mr. Hopwood.
Mr. Paget.	Mr. Watkin Williams.
Mr. Walter.	Mr. Courtauld.
Mr. Dodson.	Colonel Colthurst.

Clauses 25—27, amended, and *agreed to*.

Clause 28, *agreed to*.

Clauses 29—31, amended, and *agreed to*.

Clause 32, *agreed to*.

Clauses 33—38, amended, and *agreed to*.

Clause 39, *agreed to*.

Clauses 40—41, amended, and *agreed to*.

Clause

Clause 42, *agreed to*.

Clause 43, amended.—Another Amendment proposed, in page 26, line 38, to leave out the words “under the control of the Commissioners of Inland Revenue or the Commissioners of Customs,” in order to insert the words (“of the post office, and shall apply to the levying of sums ordered to be paid in any matter of bastardy, and to the imprisonment of a defendant for non-payment of such sums, in like manner as if an order in any such matter were a conviction, and to the proof of the service of any summons, notice, process, or document in any matter of bastardy, and of any handwriting or seal in any such matter”)—(*The Chairman*)—instead thereof.

Question put, “That the words proposed to be left out stand part of the Clause.”
—The Committee divided :

Ayes, 5.
Mr. Walter.
Mr. Hopwood.
Mr. Paget.
Colonel Colthurst.
Mr. Watkin Williams.

Noe, 1.
Mr. Dodson.

Clause further amended, and *agreed to*.

Clause 44, *disagreed to*.

Clause 45, *agreed to*.

Postponed Clause 23.—Amendment proposed, in page 15, line 7, to leave out the words “that court,” in order to insert the words “the expenses of the prosecution of such offence shall be payable in manner provided by this section, subject to this limitation, that where the person charged with such offence is a child, the amount shall not exceed in any one case forty shillings. The court dealing summarily with any such indictable offence”—(*The Chairman*)—instead thereof.

Question, “That the words ‘that court’ stand part of the clause,”—put, and *negatived*.

Question proposed, “That the proposed words be inserted instead thereof.”

Amendment proposed to the proposed Amendment, to leave out the words “subject to this limitation, that where the person charged with such offence is a child, the amount shall not exceed in any one case forty shillings”—(*Mr. Paget*).

Question put, “That the words proposed to be left out stand part of the proposed Amendment.”—The Committee divided :

Ayes, 3.
Mr. Walter.
Mr. Dodson.
Colonel Colthurst.

Noes, 3.
Mr. Hopwood.
Mr. Paget.
Mr. Watkin Williams.

Whereupon the Chairman declared himself with the *Ayes*.

Proposed words inserted in the clause.—Clause further amended, and *agreed to*.

New Clause (Power of court of summary jurisdiction)—(*The Chairman*)—brought up, read the first and second time, amended, and *added*.

[Adjourned till Tuesday next, at Twelve o'clock.]

Tuesday, 29th April 1879.

MEMBERS PRESENT:

Mr. SECRETARY CROSS in the Chair.

Mr. Rodwell.
Mr. Spencer Stanhope.
Mr. Paget.
Mr. Dodson.
Mr. Attorney General for Ireland.

Mr. Hopwood.
Sir Colman Rashleigh.
Mr. Floyer.
Colonel Colthurst.
Mr. Walter.

Several New Clauses *added*.

New Clause—(Restriction on summary dealing with adult charged with indictable offence.)—“Where a person who is an adult is charged before a court of summary jurisdiction with any indictable offence specified in the First Schedule to this Act, and it appears to
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the court that the offence is one, which, owing to a previous conviction of the person so charged, is punishable by law with penal servitude, the court shall not deal with the case summarily in pursuance of this Act"—(Mr. *Paget*)—brought up, and read the first time.

Question put, "That the Clause be read a second time."—The Committee divided:

Ayes, 5.	Noes, 4.
Mr. Spencer Stanhope.	Mr. Rodwell.
Mr. Dodson.	Mr. Hopwood.
Mr. Attorney General for Ireland.	Sir Colman Rashleigh.
Mr. Floyer.	Colonel Colthurst.
Mr. Paget.	

Clause amended and *added*.

New Clause—(Payment out of county rate of expenses of justices appearing on appeal)—"Where, under the Licensing Act, 1872, or any other Act, whether past or future, a person appeals to a court of general or quarter sessions against a conviction or order of a court of summary jurisdiction, and the court of summary jurisdiction think fit to appear as respondents upon such appeal, the court of general or quarter sessions hearing the appeal may, if it seem fit, order the costs incurred by such respondents to be paid out of the county rate or rate in the nature of a county rate of the county, borough, or place for which the court of summary jurisdiction acted"—(Mr. *Paget*)—brought up, and read the first time.

Question put, "That the Clause be read a second time."—The Committee divided:

Ayes, 3.	Noes, 6.
Mr. Spencer Stanhope.	Mr. Rodwell.
Mr. Floyer.	Mr. Dodson.
Mr. Paget.	Mr. Attorney General for Ireland.
	Mr. Hopwood.
	Sir Colman Rashleigh.
	Colonel Colthurst.

New Clause—(Disqualification of justices)—"A justice of the peace shall not be disqualified for acting as a court or a member of a court of summary jurisdiction by reason only that he is interested as a shareholder in a company which, as prosecutor, defendant, or otherwise, is a party to any application to or proceeding before such court, if he gives notice to the other party or parties of his being such a shareholder, and such other party or parties consent to his acting, and such consent may be given notwithstanding that the application or proceeding is or is incidental to a criminal proceeding"—(Mr. *Spencer Stanhope*)—brought up, and read the first time.

Question put, "That the Clause be read a second time."—The Committee divided:

Ayes, 4.	Noes, 5.
Mr. Rodwell.	Mr. Dodson.
Mr. Spencer Stanhope.	Mr. Attorney General for Ireland.
Mr. Floyer.	Mr. Hopwood.
Mr. Paget.	Sir Colman Rashleigh.
	Colonel Colthurst.

New Clause—(Imprisonment in cases of cumulative sentences not to exceed six months)—"A Court of summary jurisdiction shall not, by cumulative sentences to take effect in succession in respect of several offences, inflict on any person imprisonment for the whole exceeding Six calendar months"—(Mr. *Hopwood*)—brought up, and read the first time.

Question put, "That the Clause be read a second time."—The Committee divided:

Ayes, 6.	Noes, 4.
Mr. Rodwell.	Mr. Spencer Stanhope.
Mr. Attorney General for Ireland.	Mr. Walter.
Mr. Floyer.	Mr. Dodson.
Mr. Hopwood.	Sir Colman Rashleigh.
Mr. Paget.	
Colonel Colthurst.	

Clause amended, and *added*.

SCHEDULES considered.

First Schedule.—Amendment proposed in page 28, after Section 6, in both columns, to add the words "obtaining money or goods by false pretences where the value of the whole

whole of the money or goods alleged to have been obtained does not in the opinion of the court before whom the charge is brought exceed Five shillings"—(Mr. Hopwood).

Question put, "That those words be there added."—The Committee divided :

Ayes, 4.
Mr. Rodwell.
Mr. Dodson.
Mr. Hopwood.
Colonel Colthurst.

Noes, 6.
Mr. Spencer Stanhope.
Mr. Walter.
Mr. Attorney General for Ireland.
Mr. Floyer.
Sir Colman Rashleigh.
Mr. Paget.

Schedule amended, and *agreed to*.

SCHEDULE II., amended, and *agreed to*.

Preamble *agreed to*.

Bill, as amended, to be reported.

Ordered, To Report.

R E P O R T

FROM THE

SELECT COMMITTEE

ON THE

SUMMARY JURISDICTION BILL;

WITH THE

PROCEEDINGS OF THE COMMITTEE.

*Ordered, by The House of Commons, to be Printed
29 April 1879.*

154.

Under 1 oz.

R E P O R T

FROM THE

SELECT COMMITTEE

ON

THAMES RIVER
(PREVENTION OF FLOODS) BILL ;

TOGETHER WITH THE

PROCEEDINGS OF THE COMMITTEE,

MINUTES OF EVIDENCE,

AND APPENDIX.

Ordered, by The House of Commons, to be Printed,
13 May 1879.

Ordered,—[Friday, 28th February 1879]:—THAT the THAMES RIVER (PREVENTION OF FLOODS) BILL be read a second time.

Ordered, THAT the Bill be committed to a Select Committee of Eleven Members; Six to be appointed by the House, and Five by the Committee of Selection, and that the Report of the Select Committee of 1877 be referred to the said Committee.

THAT all Petitions against the Bill presented on or before the 8th day of March, be referred to the Committee, and that such Petitioners as pray to be heard by themselves, their Counsel, or Agents, be heard upon their Petitions, if they think fit, and Counsel heard in favour of the Bill against such Petitioners.

THAT the Committee have power to alter and modify the Bill, as regards the incidence of taxation for the works proposed to be authorised by the Bill.

Committee nominated.—[Thursday, 13th March 1879]—of—

Mr. Goldney.	}	Nominated by The House, 13th March.
Mr. Alexander Brown.		
Sir Baldwyn Leighton.		
Sir Charles Dilke.		
Sir James M'Garel-Hogg.	}	Added 18th March.
Lord Robert Montagu, discharged 18th March.		
Sir Trevor Lawrence.		
Mr. Maurice Brooks.		
Mr. Birley.	}	Added by the Com- mittee of Selection, 14th March.
Mr. Chamberlain.		
Mr. Wilbraham Egerton.		
Viscount Emlyn.		
Mr. W. E. Forster.		

Ordered,—[Tuesday, 18th March 1879]:—THAT the Committee do consist of Twelve Members.

THAT Sir Trevor Lawrence and Mr. Maurice Brooks be added to the Committee.

THAT Lord Robert Montagu be discharged from attendance on the Committee.

THAT Five be the Quorum of the Committee.

Ordered,—[Friday, 25th April 1879]:—THAT the Minutes of the Evidence and the Proceedings taken before the Committee on the Thames River (Prevention of Floods) Bill, in Session 1877, be referred to the Committee.

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R E P O R T.

THE SELECT COMMITTEE to whom the THAMES RIVER (PREVENTION OF FLOODS) BILL was referred, and who were empowered to alter and modify the Bill as regards the incidence of TAXATION for the WORKS to be authorised by the BILL ;—HAVE examined the allegations contained in the Preamble of the Bill, and verbally amended the same, and found the same, as amended, to be true, and have gone through the Bill, and made Amendments thereunto.

13 *May* 1879.

PROCEEDINGS OF THE COMMITTEE.

Tuesday, 25th March 1879.

MEMBERS PRESENT :

Mr. W. E. Forster. Mr. Alexander Brown. Sir Baldwyn Leighton. Sir James M'Garel-Hogg.		Sir Charles Dilke. Mr. Chamberlain. Mr. Goldney.
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Mr. W. E. FORSTER was called to the Chair.

The Committee deliberated.

[Adjourned till Monday 28th April, at Twelve o'clock.]

Monday, 28th April 1879.

MEMBERS PRESENT :

Mr. W. E. FORSTER in the Chair.

Sir James M'Garel-Hogg. Mr. Goldney. Mr. Alexander Brown. Sir Trevor Lawrence. Viscount Emlyn. Mr. Wilbraham Egerton.		Sir Baldwyn Leighton. Mr. Birley. Mr. Chamberlain. Sir Charles Dilke. Mr. Maurice Brooks.
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THAMES RIVER (PREVENTION OF FLOODS) BILL.

Preamble read the first time.

Counsel :—Mr. *Cripps*, q.c., Mr. *Philbrick*, q.c., Mr. *O'Hara*, and Mr *Bazalgette*.

Agents :—Messrs. *Dyson*.

Petitions against the Bill were read from—

- (1.) Corporation of the City of London.
 Counsel :—Sir *E. Beckett*, q.c., Mr. *Wright*, and Mr. *Prior Goldney*.
 Agent :—Mr. *Robarts*.
- (2.) Commissioners of Sewers of the City.
 Counsel :—Sir *E. Beckett*, q.c., Mr. *Wright*, and Mr. *Prior Goldney*.
 Agent :—Mr. *Robarts*.
- (3.) Fulham District Board of Works.
 Counsel :—Mr. *Collins*, q.c., and Mr. *H. Locke*.
 Agent :—Mr. *Bradfield*.
- (4.) Owners and Occupiers in Hammersmith and Fulham.
 Counsel :—
 Agent :—Mr. *Bradfield*.
- (5.) Wandsworth District Board of Works.
 Counsel :—Mr. *Stephens*.
 Agents :—Messrs. *Simpson & Wakeford*.

(6.) Conservators

- (6.) Conservators of The River Thames.
Counsel:—Mr. *Richards*, q.c., and Mr. *Richards*.
Agents:—Messrs *Wyatt & Co*.
- (7.) Millwall Dock Company.
Counsel:—Mr. *Thomas*.
Agent:—Mr. *Rees*.
- (8.) London and St. Katherine Dock Company.
Counsel:—Mr. *Thomas*.
Agent:—Mr. *Rees*.
- (9.) Great Eastern Railway Company.
Counsel:—
Agents:—Messrs. *Sherwood*.
- (10.) St. Saviour's District Board of Works.
Counsel:—Mr. *Bidder*, q.c.
Agents:—Messrs. *Sherwood*.
- (11.) Messrs. Williams, Brown & Elmslie, and Others.
Counsel:—Mr. *Bidder*, q.c., and Mr. *B. Brown*.
Agents:—Messrs. *Wyatt & Co*.
- (12.) The London, Chatham and Dover Railway Company.
Counsel:—
Agents:—Messrs. *Martin & Leslie*.
- (13.) East and West India Dock Company.
Counsel:—Mr. *Evan Thomas*.
Agents:—Messrs. *Sherwood*.
- (14.) Surrey Commercial Dock Company.
Counsel:—Mr. *Thomas*.
Agent:—Mr. *Rees*.
- (15.) South Eastern Railway Company.
Counsel:—
Agent:—Mr. *Stevens*.
- (16.) Robert Gresley Hall.
Counsel:—
Agent:—Mr. *Brown*.
- (17.) Gaslight and Coke Company.
Counsel:—Mr. *Pope*, q.c.; Mr. *Richards*, q.c.; and Mr. *Hardman*.
Agents:—Messrs. *Wyatt*.
- (18.) Phoenix Gas Company.
Counsel:—
Agents:—Messrs. *Wyatt*.
- (19.) London Gas Company.
Counsel:—
Agents:—Messrs. *Wyatt*.
- (20.) Sir Spencer M. Maryon Wilson.
Counsel:—
Agents:—Messrs. *Bell & Steward*.
- (21.) George Ferguson.
Counsel:—
Agents:—Messrs. *Webster & Graham*.
- (22.) Vestry of Lambeth.
Counsel:—
Agent:—Mr. *Storr*.
- (23.) Limehouse Board of Works.
Counsel:—Mr. *Freeman*.
Agent:—Mr. *Cooper*.

Petitions against the Bill were also read from the Whitechapel District Board of Works, and Owners, &c. of lands, wharves, &c.; but no parties appeared in support of the same.

Mr. *Cripps*, Q.C., was heard to open the case in support of the Preamble of the Bill.

Evidence in support of the Bill.

Mr. *Guildford B. Richardson* sworn, and examined.

[Adjourned till Wednesday next, at Twelve o'clock.]

Wednesday, 30th April 1879.

MEMBERS PRESENT:

Mr. W. E. FORSTER in the Chair.

Sir Charles Dilke.
Mr. Chamberlain.
Mr. Birley.
Mr. Wilbraham Egerton.
Viscount Emlyn.
Sir Baldwyn Leighton.

Sir Trevor Lawrence
Mr. Alexander Brown.
Mr. Goldney.
Sir James M'Garel-Hogg.
Mr. Maurice Brooks.

THAMES RIVER (PREVENTION OF FLOODS) BILL.

Evidence in support of the Bill continued.

Mr. *Guildford B. Richardson* further examined.

[Adjourned till To-morrow, at Twelve o'clock.]

Thursday, 1st May 1879.

MEMBERS PRESENT:

Mr. W. E. FORSTER in the Chair.

Sir James M'Garel-Hogg.
Mr. Alexander Brown.
Sir Baldwyn Leighton.
Viscount Emlyn.
Mr. Wilbraham Egerton.
Mr. Birley.

Sir Charles Dilke.
Mr. Goldney.
Mr. Chamberlain.
Mr. Maurice Brooks.
Sir Trevor Lawrence.

THAMES RIVER (PREVENTION OF FLOODS) BILL.

Evidence in support of the Bill continued.

Sir *Joseph Bazalgette*, C.B., sworn, and examined.

[Adjourned till To-morrow, at Twelve o'clock.]

Friday, 2nd May 1879.

MEMBERS PRESENT:

Mr. W. E. FORSTER in the Chair.

Sir Charles Dilke.
Mr. Birley.
Mr. Wilbraham Egerton.
Viscount Emlyn.
Mr. Maurice Brooks.

Sir Baldwyn Leighton.
Sir Trevor Lawrence.
Mr. Alexander Brown.
Sir James M'Garel-Hogg.
Mr. Chamberlain.

THAMES RIVER (PREVENTION OF FLOODS) BILL.

Evidence in support of the Bill continued.

Sir *Joseph Bazalgette*, C.B., further examined.

Mr. *John Cory Havers* and Mr. *William Henry Farnfield*, sworn, and examined.

[Adjourned till Monday, at Twelve o'clock.]

Monday, 5th May 1879.

MEMBERS PRESENT:

Mr. W. E. FORSTER in the Chair.

Sir Charles Dilke.
Mr. Maurice Brooks.
Sir Trevor Lawrence.
Sir Baldwyn Leighton.
Mr. Alexander Brown.

Mr. Wilbraham Egerton.
Mr. Chamberlain.
Sir James M'Garel-Hogg.
Mr. Goldney.

THAMES RIVER (PREVENTION OF FLOODS) BILL.

Evidence in support of the Bill continued.

Mr. *Henry Law*, sworn, and examined.

[Adjourned till Wednesday, at Twelve o'clock.]

Wednesday, 7th May 1879.

MEMBERS PRESENT:

Mr. W. E. FORSTER in the Chair.

Sir James M'Garel-Hogg.
Mr. Goldney.
Mr. Alexander Brown.
Sir Baldwyn Leighton.
Viscount Emlyn.
Mr. Wilbraham Egerton.

Mr. Birley.
Mr. Chamberlain.
Sir Charles Dilke.
Sir Trevor Lawrence.
Mr. Maurice Brooks.

THAMES RIVER (PREVENTION OF FLOODS) BILL.

Evidence in support of the Bill continued.

Sir *Joseph Bazalgette*, recalled, and examined.

This closed the case for the Promoters.

Mr. *Freeman* in support of the Petition of the Limehouse District Board of Works;

Mr. *Bidder*, Q.C., in support of the Petitions of the—1. St. Saviour's District Board of Works, and—2. Messrs. Williams, Brown and Elmslie & Co.;

Sir *Edmund Beckett*, Q.C., in support of the Petition of the Commissioners of Sewers of the City of London;

Mr. *Vaughan Richards*, Q.C., in support of the Petition of the Conservators of the River Thames;

were heard against the Preamble of the Bill.

[Adjourned till To-morrow, at Twelve o'clock.

Thursday, 8th May 1879.

MEMBERS PRESENT:

Mr. W. E. FORSTER in the Chair.

Sir Charles Dilke.
Viscount Emlyn.
Mr. Maurice Brooks.
Sir Baldwin Leighton.
Sir Trevor Lawrence.
Mr. Alexander Brown.

Sir James M'Garel-Hogg.
Mr. Chamberlain.
Mr. Goldney.
Mr. Birley.
Mr. Wilbraham Egerton.

THAMES RIVER (PREVENTION OF FLOODS) BILL.

Mr. *Collins*, Q.C., in support of the Petition of the—
Fulham District Board of Works;

Mr. *Pembroke Stephens*, in support of the Petition of the—
Wandsworth District Board of Works;

Mr. *Pope*, Q.C., in support of the Petitions of the—1. Millwall Dock Company,—2. London and St. Katharine Dock Company—3. East and West India Dock Company—4. Surrey Commercial Dock Company—5. Gaslight and Coke Company;—

were heard against the Preamble of the Bill.

On Mr. *B. Brown* appearing to address the Committee in support of the Petition of *George Ferguson*, the appearance on which had been withdrawn till further notice, after the first meeting of the Committee:

Room cleared.—The Committee deliberated.

Parties called in, and informed that no written notice to re-appear having been handed in since the notice of withdrawal was given, the Committee refused to hear the Petitioner.

[Adjourned till Monday next, at One o'clock.

Monday, 12th May 1879.

MEMBERS PRESENT:

Mr. W. E. FORSTER in the Chair.

Sir Trevor Lawrence.
Mr. Goldney.
Sir James M'Garel-Hogg.
Sir Baldwin Leighton.
Mr. Alexander Brown.
Viscount Emlyn.

Mr. Maurice Brooks.
Mr. Wilbraham Egerton.
Mr. Birley.
Sir Charles Dilke.
Mr. Chamberlain.

THAMES RIVER (PREVENTION OF FLOODS) BILL.

Motion made, and Question put, That this Committee adheres to the opinion of the Committee of 1877, that,—“The most equitable mode of charging and meeting the expenses to be incurred for the prevention of floods within the Metropolitan District would be that the works should be carried into effect by the Metropolitan Board of Works, and the expenses paid by a rate levied over the whole Metropolis”—(Sir Trevor Lawrence).—The Committee divided:

Ayes, 3.

Sir Charles Dilke.
Sir Trevor Lawrence.
Mr. Chamberlain.

Noes, 8.

Mr. Goldney.
Mr. Alexander Brown.
Sir Baldwin Leighton.
Sir James M'Garel-Hogg.
Mr. Maurice Brooks.
Mr. Birley.
Mr. Wilbraham Egerton.
Viscount Emlyn.

Motion made, and Question put, “That all works to public roads, streets, and premises, vested in or subject to the control and management of any Vestry or District Board of Works, or for which they have any liability, be executed by the Metropolitan Board of Works, and the expenses defrayed out of the general funds of the Metropolis”—(Sir Charles Dilke).—The Committee divided:

Ayes, 3.

Sir Charles Dilke.
Sir Trevor Lawrence.
Mr. Chamberlain.

Noes, 8.

Mr. Goldney.
Mr. Alexander Brown.
Sir Baldwin Leighton.
Sir James M'Garel-Hogg.
Mr. Maurice Brooks.
Mr. Birley.
Mr. Wilbraham Egerton.
Viscount Emlyn.

Motion made, and Question put, “That half the cost of all works to be constructed under the Bill to public roads, streets, and premises, entirely vested in or subject to the control and management of any Vestry or District Board of Works, be defrayed out of the general funds of the Metropolis”—(Mr. Chamberlain).—The Committee divided:

Ayes, 5.

Sir Charles Dilke.
Sir Trevor Lawrence.
Mr. Birley.
Mr. Chamberlain.
Viscount Emlyn.

Noes, 6.

Mr. Goldney.
Mr. Alexander Brown.
Sir Baldwin Leighton.
Sir James M'Garel-Hogg.
Mr. Maurice Brooks.
Mr. Wilbraham Egerton.

PREAMBLE READ a second time, and verbally amended.—Question, “That the Preamble as amended is proved”—put, and *agreed to*.

Parties called in, and informed of the decision of the Committee, and that the Committee will require the insertion of a Clause, limiting the powers of the Board as to the character of works to be executed under Clause 7 of the Bill.

Clauses considered, amended, and *agreed to*.

[Adjourned till To-morrow, at half-past Two o'clock.]

Tuesday, 13th May 1879.

MEMBERS PRESENT:

Mr. W. E. FORSTER in the Chair.

Sir Charles Dilke.
Viscount Emlyn.
Mr. Wilbraham Egerton.
Mr. Goldney.

Sir Trevor Lawrence.
Sir Baldwyn Leighton.
Mr. Alexander Brown.

THAMES RIVER (PREVENTION OF FLOODS) BILL.

New Clause (Limitation of Powers as to Works), *added*.

Other new Clauses *added*.

Report read, and *agreed to*.

Ordered, That the Chairman be directed to move the House for leave to report the Minutes of Evidence.

Ordered, To Report.

MINUTES OF EVIDENCE.

LIST OF WITNESSES.

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Friday, 2nd May 1879.

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Wednesday, 7th May 1879.

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MINUTES OF EVIDENCE.

Monday, 28th April 1879.

MEMBERS PRESENT:

Mr. Birley.
Mr. Maurice Brooks.
Mr. Alexander Brown.
Mr. Chamberlain.
Sir Charles Dilke.
Mr. Wilbraham Egerton.

Viscount Emlyn.
Mr. W. E. Forster.
Mr. Goldney.
Sir James M'Garel-Hogg.
Sir Trevor Lawrence.
Sir Baldwin Leighton.

THE RIGHT HONOURABLE W. E. FORSTER, IN THE CHAIR.

Mr. GUILDFORD BARKER RICHARDSON, sworn; Examined by Mr. *Philbrick*.

1. You are a Member of the Metropolitan Board of Works, and I think you have been so for some 15 years?—Since 1862.

2. You have been Vice Chairman of the Works and General Purposes Committee?—I have.

3. That is a committee which I think is a committee of the whole Board, and to which almost all the important matters of the Board are referred?—Yes; to which the subject-matter now before the Committee has been referred for the last four years.

4. You were a witness examined on the part of the promoters of the Bill of 1877? I was.

5. I will take up the matter, with your permission, rather from that date, if you please; have you been conversant with all the discussions that have taken place at the Metropolitan Board since that Bill was withdrawn?—Quite so.

6. I believe you have taken part in those discussions, and have made yourself fully informed of the matter?—I have so.

7. Have you read and considered the Bill in its amended state as it is now before the honourable Members of the Committee?—I have so.

8. What do you say with regard to it?—That it follows very closely to the lines of the previous Bill, but I think it has of necessity some important variations, which variations I may say were the result of an attempt to arrive at some compromise between the members of the Board who were opposed to the views of the majority of the Board, and the majority.

9. May I ask you, as a representative body, did you feel that it was desirable that a question of this nature should be settled by some Parlia-

mentary decision?—That was the opinion of every member of the Board, that it was most desirable that this question of Thames floods should be finally settled.

10. I believe the evils have been going on, and I believe are practically admitted on all hands?—Yes; for a very long period of time.

11. I gather from what you state that there have been divisions of opinion at the Board?—There have been so.

12. And the present proposals embodied in the Bill are the result of an attempt at compromise?—Yes, this Bill is the result of an attempt at compromise. I should be wrong if I conveyed that it was an entire compromise, because there are still some members of the Board who are in a minority.

13. I think in all public bodies there is some one opposed to the majority?—

14. The *Chairman*.] Is there only one?—I did not say only one.

15. Mr. *Philbrick*.] In all public bodies there is some small minority opposed to the majority?—Yes.

16. With regard to this Bill, according to your view, how does it leave it?—It leaves it nearly where I consider the old Statutes which came down from Henry VIII., and the Metropolis Local Management Act leave it at this time; that is by the 69th and 70th Sections of the Act the Legislature determined that the prevention of floods from river or rainfall, both are referred to in the same clause, should be a duty cast upon the local boards and vestries. The incidence of the cost should rest with them; and then by the 159th section of the same Statute, it declares that they have the power of levying the costs that

Mr.
Richardson.
28 April
1879.

Mr.
Richardson.

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may be incurred in the prevention of those floods over such parts of their respective districts as they may consider to be benefited by the expenditure. Therefore the Metropolis Local Management Act does make a local charge for the cost of protection from floods, and the principle of this Bill is to leave it a local charge.

17. That is as to the works?—That is as to the works for the prevention of these floods.

18. I will come presently to the question of compensation: have you been conversant with the representations that have been from time to time made to the Metropolitan Board of Works from the district boards with regard to the prevention of floods?—Yes. The main ground of objection, I think, that all of them have made from time to time, has been that if they were to put in force the 69th Section, as is almost compulsory upon them to have done, that they would have entailed upon themselves very heavy and serious expenses by the claims for compensation, and this made them hesitate in acting under the terms of the 69th Section. Therefore the Metropolitan Board proposed to assist them in that.

19. Here is the letter of the 7th of May 1874, from Mr. Ratcliff, of the Limehouse District Board of Works:—"Board of Works for the Limehouse District, Office, White Horse-street, Commercial-road East, E., 7th May 1874. Dear Sir,—I am directed by the Board of Works for the Limehouse district, to acknowledge the receipt of your letter of the 17th April last, having reference to the recent flooding of some of the low lying districts of the metropolis on the banks of the Thames, and calling the attention of the Board to the 69th Section of the Metropolis Local Management Act, 1855, which provides, 'That every vestry and district board shall cause all banks, wharves, docks, and defences abutting on or adjoining any river, stream, canal, pond, or watercourse in such parish or district to be raised, strengthened, altered, or repaired where it may be necessary so to do, for effectually draining or protecting from floods or inundations such parish or district.' In reply, I am directed to inform the Metropolitan Board that all the public approaches to the river in this district have been raised to a level sufficient to prevent inundation, but the district board is of opinion that there are serious difficulties against proceeding to enter upon private property to raise the frontages of wharves abutting on the river. Many questions would arise, among others, that as to compensation for damage. It appears to this board that further legislative authority is necessary to deal with the question, as the owners of wharves requiring to be raised to prevent inundation should be liable to defray the costs and expenses incurred by the district board in performing the work, and the district board should be indemnified against consequential damages. The district board feel the great importance of the question being taken up without a moment's delay, for the evil consequences arising from the late inundation are very serious, not only in this district but in other river-side districts of the metropolis, and I am directed to urge the Metropolitan Board to take the steps necessary either to promote a Bill in Parliament for the purpose, or to get introduced into the Bill they now have before the House of Commons, power for the district boards to require the owners of all wharves to raise them to a sufficient height to keep out the highest tides, and in the event of neglect or refusal so to

do, that the district board may enter and perform the works and recover the expenses from the owners, and that such expenses be made a charge upon the property. Yours, &c., *Thos. W. Ratcliff*, Clerk. *J. E. Wakefield*, Esq., Clerk, Metropolitan Board of Works." That letter is on the lines precisely of this Bill?—Yes, that is what we now ask for, and that is what we were first of all asked for by several of those districts. It was afterwards that they asked the Board to do the work themselves, and charge it to the Metropolis.

20. Then there is a letter of the 30th July 1877 from the St. Saviour's District Board of Works, which is as follows:—"St. Saviour's District Board of Works, Board-room, Emerson-street, Bankside, Southwark, S.E., 30 July 1874. Sir,—The Board of Works for this district have had under their anxious consideration the question of the tidal overflow of the River Thames in the month of March last, and the means of preventing the recurrence of such a calamity, and also of the powers of vestries and district boards of works, under the 69th Section of the Metropolis Local Management Act, 1855, to which their attention was called by the circular from the Metropolitan Board of Works, dated 17th April last, and they feel considerable doubt whether under that section any vestry or board of works have the power either of compelling the owners of wharves and premises having a frontage to the river to raise their river-walls, or to enter upon such wharves or premises against the will of such owners for the purpose of heightening such walls; and they are also of opinion that if they did attempt to carry out the works at the expense of the district, a serious question would arise as to the right of the owners of wharves, &c., to receive compensation for any loss, inconvenience, or injury they might sustain thereby. Under these circumstances I am instructed by this board to apply to your honourable Board for an expression of their opinion as to the powers, rights, and duties of the district board of works under the above 69th Section. I am, &c., *Henry Simpson*, Clerk. *J. E. Wakefield*, Esq., Metropolitan Board of Works, Spring-gardens, S.W." I believe that was referred to the solicitors and the engineer to report on the consequences of the flooding, and in the result, in November 1875, a Bill was ordered to be brought in?—It was, but in one of the letters of the St. Saviour's District Board of Works, I think it is right for me to state, they absolutely asked the Metropolitan Board of Works to provide an embankment on the south side for the protection of their district at the expense of the ratepayers.

21. That was a proposal which I think was embodied in the Bill?—Yes; the power of entry for the performance of the necessary works.

22. In addition to being a member of the Metropolitan Board of Works, you are a member of a district board?—I am a member of the Greenwich Board of Works, and represent Greenwich at the Metropolitan Board of Works.

23. You are owner of premises on the side of the river?—Yes, I am, as executor in two or three cases, and as part owner myself of property at Rotherhithe and on the other side of the Thames.

24. You know practically the river side frontage of that part of the river?—Yes, we have had a good deal to do with it in our board, and especially the river-wall. We have quite four miles

miles of river-wall under the charge of the Greenwich Local Board.

25. Is that the same wall, the liability to repair which was before the Court of Queen's Bench in the Plumstead case?—No, Plumstead takes the portion of the wall next to the Greenwich District Board.

26. Further down the river?—Just next to it, further than Lombard's Wall. You see the word "Greenwich" on the map, Greenwich begins where the words "L.B. and S.C.B. Goods Depôt" appears; that is the beginning of the parish of Deptford, which is the first parish within the area of the Greenwich district. Then it takes the whole of the portion right round and comes down to that red line; that is what we call Lombard's Wall. There the green colour begins, that is within the Plumstead line. Then Woolwich begins, which is under a separate district local board of health, but yet combined under the Metropolis Local Management Act, and then comes the Plumstead Board of Works down to the end of the parish of Plumstead to where the district of Erith begins. I think I am correct in saying that the length of river-wall belonging to the Greenwich Local Board must be as long as any one district, except that of the District Board of Wandsworth.

27. The Chairman.] Why do we see Woolwich on the north side?—There is a small portion in the county of Essex which is called North Woolwich, which comes within the metropolitan district, and is governed by the Metropolitan Board of Works.

28. It is not part of your district?—It is not part of my district; mine is Greenwich.

29. Mr. Philbrick.] Can you tell us how you manage in Greenwich at present. The wall is kept up by the local board?—We were advised, from the very earliest period of the Greenwich District Board coming into operation, by our clerk, who was a very eminent solicitor, and also had been vestry clerk of Greenwich for many years, that we were under liability to maintain that wall, and we should be liable for severe compensation claims if we allowed the Thames to overflow that river wall. The Greenwich District Board from time to time have repaired that river wall, and have heightened it, and I believe I may say now it is sufficiently high to protect the river-side property against any flood that can ordinarily be expected. No flood arose from that high tide which rose more than four feet above Trinity high water-mark. I think our wall is 4 ft. 6 in. The Chairman has referred to the last report to the Committee; I stated then, and gave the whole of the documents to show that we made a special rate under the 159th Section, according to the area of benefit, and made a rate on one occasion over that area, speaking from memory now, of 1s. 6d. in the £., and at another time I think it was 1s. 8d. and 1s. 10d. in the £., and no objections were made except those objections which come simply from complaints; but no legal objection was raised to it, nor any attempt made to evade the payment of the rate; it was paid by every one of the ratepayers upon whom it was levied, under the 159th Section, according to what the Greenwich District Board of Works determined to be the area of benefit, simply showing that under this particular Act the Greenwich District Board of Works, at least for one, have carried out that principle in its entirety. I may say, in 0.89.

continuing the answer, that not only has my Board done so, but the Plumstead Board of Works have done the same. The Plumstead Board of Works had some doubt as to their powers. They got a friendly case made out between themselves and the Commissioners of the Level between Lombard's Wall and Gravesend, and they had that case argued before the Queen's Bench Division of the High Court. That case was fairly argued, and I think the Committee have the case before them; they ought to have it before them, because it most clearly lays down the opinion of the Queen's Bench Division that the river bank is a sewer under the Act, that it is in the charge of the local boards and vestries under the present statute, and that it is a burden resting upon all the local boards and vestries to protect their districts from floods at the present time.

30. I think if you look at the map there is one other peculiarity which I ought to call your attention to. I do not know whether you are sufficiently familiar with that case to tell me if I am right. The Plumstead Board was seeking to get a decision of that question of liability. The question arose between them and the Commissioners of Levels as to who should pay for a portion of the wall in the Plumstead district?—Yes.

31. The Commission of the Level goes over Plumstead district and several other parishes and places out of the metropolitan area?—I will explain it to you. The Plumstead Board of Works found that the river wall was insufficient to protect their district from floods; they called upon the Level to do the necessary works; the Level either declined or gave no answer to them. The Plumstead Board of Works proceeded and did the work, and then they demanded of the Commissioners of the Level the payment of that money; they refused to pay the money, and then this friendly case was prepared and taken up for argument to the High Court.

32. The point I wanted to call your attention to was this: the dispute arose about the portion of the wall in Plumstead?—Yes; I think it was in Charlton, within the district of the Plumstead Board.

33. But the wall itself, as a defence, extended far beyond the limits of the Plumstead District Board?—It extends down to Gravesend.

34. There had been a recent commission, I think, in 1865 to the Commissioners of that level, giving them jurisdiction, or purporting to give them jurisdiction, from Lombard's Wall down to Gravesend?—Yes; down to Gravesend.

35. The effect of that judgment of the Queen's Bench was to take that part of the wall which was in Plumstead out of the Commission?—Decidedly so.

36. And to put it under the district board?—The whole of the wall from Lombard's Wall to Gravesend was under the Commissioners of the Gravesend Level; but when the Metropolis Local Management Act came into operation it was contended by the Commissioners of the Level that the Act took that portion of the river wall that was within the area of the metropolis out of their jurisdiction, and threw it, under the Metropolis Local Management Act, upon the local board.

37. Mr. Goldney.] That is, it cast a statutory obligation upon them?—It cast a statutory obligation

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gation upon them, and the judgment was distinctly in favour of that view.

38. Mr. *Philbrick*.] Here is a copy of the judgment?—There are some strong points in it. Some parts of it ought, I think, to be read.

39. Except in that case has the matter, to your knowledge, ever been disputed at all?—No, I think not; not to my knowledge; it has never been disputed.

40. As I understand, the Greenwich District Board were advised by their clerk?—Yes, we were governed by fear, because we should have had to pay very much larger sums for compensation if we had allowed the Thames to flow over the river wall than the repairs would have cost.

41. I really gather from what you said that it was mainly the cost that deterred the district boards and vestries from doing the works?—They said so in some of their letters; you have them before you; they stated it distinctly.

42. In this particular case the proposal in the Bill before the Committee is to put the cost of the work itself upon the owner, the Metropolitan Board of Works making the general taxation of the metropolis pay the cost of the compensation?—It is to put it upon the owners, and it is right to draw the attention of the Committee to the fact that it is an owner's payment. The decision of the Queen's Bench is so plain and so clear, that it is not a question of ratepayers at all, it is a question simply of owners as apart from ratepayers; it is the owner who has to pay for it; whether the ratepayer improves it primarily or not, he has a power of deducting it from his owner, so that it is the owner who has to pay, it being for the benefit of the land which the owner has. That is the whole purport of the Bill.

43. As I gather, it is the 159th section of the Act of 1855 which gives power to the district boards to make what I call a special rate?—Yes, the 159th section.

44. On the parties who receive the benefit?—Yes.

45. Does that in fact correspond with the provisions of the Statute of Sewers?—It very closely does. It does not absolutely do so, but it is very close indeed. They had the power of making an improvement rate, and they had the power of making a special rate, and they are very much akin to one another, but I think the 159th section of the Metropolitan Local Management Act gives a greater power than is given to the Commissioners of Sewers under the Sewers Act.

46. Again, taking the Act of 1848, that consolidated all the Commissioners in the Metropolis into the Greek Street Commission, as it was known?

Mr. *Goldney*.] I thought Mr. Cripps said it did not interfere at all with the incidence of rating?—

Mr. *Philbrick*.] It embodied the same principle.

Mr. *Goldney*.] Although it consolidated the Boards of Sewers, it did not interfere with the rating.

47. Mr. *Philbrick*.] No; but what it did was this; although it did not alter the principle, it in terms was a Parliamentary declaration that the principle was the right one?—The 81st Section says: "When in the judgement of the Commissioners the expenses of making or of enlarging or otherwise improving or altering any sewer

shall be incurred in whole or in part for the special benefit or drainage of any street or place, lands or tenements, not co-extensive with any separate sewerage district, it shall be lawful for the Commissioners from time to time to levy on the occupiers of the lands or tenements in such street or place, or of the lands or tenements, so specially benefited, a rate to be called 'a special sewers rate,' such special sewers rate to be in each case of such amount as in the judgement of the Commissioners will be sufficient to discharge the amount of such expenses, or such portion thereof as ought in the judgment of the Commissioners to be charged on such occupiers, with interest thereon at a rate not exceeding 5*l.* in the 100*l.* within such period not exceeding 30 years, as the Commissioners shall in each case determine;" and then that special rate may not exceed 1*s.* in the pound.

48. Mr. *Philbrick*.] The records of the old Commissioners of Sewers have come into the possession of the Metropolitan Board of Works. Under the 159th Section was the Plumstead Board charged with the sole expense of one owner?—No; they charged it on the area of benefit, which is the same as the Greenwich District Board of Works have done.

49. Have you seen the extracts of the old Commissioners of Sewers?—I have them all here.

50. Just refer to them?

The *Chairman*.] Do you think it is necessary to go over all this. It is all in Mr. Richardson's former evidence.

Mr. *Goldney*.] You have no record at all under the Commissioners of 1848, and you have evidence of what the Commissioners had done previously.

Mr. *Philbrick*.] That is so.

Mr. *Goldney*.] It is certainly gone into.

The *Witness*.] There was a great deal more than that.

51. Mr. *Philbrick*.] I will not weary the Committee by going through it. It is sufficient to have intimated it, and my friends on the other side may ask for it?—Would it not be as well for me to say that we have records of the late Commissioners which show that both in Chelsea, in Wandsworth, in Lambeth, and in Rotherhithe, there were orders made by the Commissioners of Sewers. In some cases, as you can see by the list of names I have here, they absolutely and distinctly required them to raise their river walls over and over again.

52. Mr. *Goldney*.] Before 1848?—That is before 1848. It is in 1828 that I am speaking of now.

53. They are all before 1848; the Consolidation Act?—Yes. When they did not do it, the persons who were in default were brought up before the Commissioners, and two of them were fined 100*l.*; afterwards they came before the Commissioners and applied for mercy, and because they then did their works the Commissioners released them from the fine. I have here extracts from the Commissioners, showing that the same powers were used against Her Majesty's Government, the Commissioners of Woods and Forests; they were called upon to do considerable works to the river bank at Cremorne, where the high tide had destroyed it, and the Commissioners' minutes would show that it was universal at that time that every owner of property within the area of their Commission was compelled

compelled, at their instigation, to raise their river wall at least as high as was necessary to protect it from floods.

54. Mr. *Philbrick*.] That applies before 1848. You find it uniformly that the owners had to incur this obligation?—Before that time.

55. In 1848, and from that to 1855, when the Metropolitan Board of Works was created by the Local Management Act of that year, there are no records at all of any proceedings for river walls?—There are no records. It seems by reference to their minutes that, under that Act of 1848, they were required to make a survey of the whole of the metropolis to ascertain what was necessary, and, so far as I can judge from a cursory examination of the minutes they spent all their time in this survey and did nothing with their works.

56. I believe it was in connection with the main drainage?—Yes, I believe it was because they did nothing that the Metropolitan Board of Works was required to take their place.

Mr. *Cripps*.] I think you will find in the former report that the illustration of the mode of doing business, which I quoted, is not given in evidence. I think it rather desirable to have it on the notes.

Mr. *Philbrick*.] That is the 29th August 1828.

(The Minute was put in, and is as follows:—)

Court of Sewers,
29 August 1828.

The Court then proceeded to view the banks of the Thames within the parish of St. Mary, Rotherhithe, and having found the same in many parts thereof deficient and below the level of the last high tide, did order and direct that the several under-named persons should, on or before the 1st day of October next, repair and make good the parts within their respective premises, and raise the said banks the additional height set against their respective names. And notices were signed by six of the Commissioners present to each party accordingly:—

	<i>Ft. in.</i>
Widow Long, Ship Yard:	
East End - - - - -	2 6
West End - - - - -	1 5
The East Country Dock Company - - -	0 11
William Thompson, Ship Yard:	
East End - - - - -	1 5
West End - - - - -	1 0
Public way, Rotherhithe - - - - -	1 0
Alderman Atkins, Storehouses and Wharf -	0 10
A. Havcraft - - - - -	1 2
John Palle, Tobacco Wharf - - - - -	1 6
Edward Barnard, Ship Yard Wharf - - -	1 1
Edward Barnard, Mast Yard Wharf - - -	1 8
Isaac Solly and Sons, Timber Wharf - - -	1 6
Bolton and Perry, } Durand's Wharf - - -	1 5
Bennett and Hunt, } - - -	
Henry Dunkin, } - - -	
Rolt and Brocklebank, Queen's Wharf - -	1 8
Samuel Muggeridge, Brewery - - - - -	1 5
George Lewis, Albion Coal Wharf - - -	0 6
George Bainbridge, Timber Wharf - - -	0 10
Thomas King & Co., Ship Yard and Wharf -	1 4
Public way, Rotherhithe - - - - -	1 8
George Luck, Mahogany Yard and Wharf -	1 8
Thomas Martin, Canada Wharf - - - - -	1 3

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	<i>Ft. in.</i>
Thomas Savage, East County Wharf:	
East End - - - - -	2 9
West End - - - - -	2 0
Widow Jennings, Ordnance Wharf - - -	1 3
Ship Breaker's Yard and Wharf - - -	2 0
Widow Taylor, Wharf, Premises, and Public-house - - - - -	1 4
Pageant's Stairs, Rotherhithe Parish - -	2 9
George Marshall, Timber Wharf - - - - -	1 1
Thomas Beech, Ship Breaker's Yard and Wharf - - - - -	1 10
William Bennett, Timber Yard - - - - -	2 8
Messrs. Ghie, Hawkes, & Carr, Lavender Wharf - - - - -	2 2
Charles Marnell, Stone Wharf - - - - -	2 0
Horse Ferry Stairs, Rotherhithe Parish - -	0 10
Joseph Heakford, Mast Makers' Premises:	
West End - - - - -	4 2
Public way, Rotherhithe Parish - - - - -	1 6
Apoley and Bristow, Wharf - - - - -	1 6
West End - - - - -	3 6
William Moore, Wharf:	
East End - - - - -	1 2
West End - - - - -	1 8
Public way, Rotherhithe Parish - - - - -	1 6
Ebenezer Thompson, Ship Builder's Yard -	1 1
(Head of Ship defective.)	
Globe Stairs, Rotherhithe Parish - - - -	1 0
John Ledger, Ship Breaker's Yard - - - -	1 9
Messrs. Ghie, Hawks, & Carr, Ship Breaker's Yard - - - - -	1 6
Messrs. Trevathan & Evans, Wharf and Premises - - - - -	0 8
(Head of West Ship defective.)	
Public way, Rotherhithe Parish - - - - -	0 6
William Howard, Foundry - - - - -	1 0
George Fordyce, Public-house - - - - -	1 0
Messrs. Ghie, Hawks, & Carr, Ship Yard -	0 3
David Beatson, Ship Breaker's Yard:	
East End - - - - -	1 0
West End - - - - -	2 0
Widow Larkins:	
East End - - - - -	1 9
Centre - - - - -	3 4
West End - - - - -	2 0
James Penny, "Waterman's Arms" Public-house - - - - -	0 6
Public way, Rotherhithe Parish - - - - -	2 6
John Ledger, Ship Breaker's Yard, &c. - -	1 9
James, John, and Robert Mangles, Gun-shot Wharf - - - - -	1 6
David Bennett, Wharf - - - - -	1 2
Joseph Cristall, Ship Breaker's Wharf - -	1 6
George Bailey, Ship Breaker's Wharf - - -	1 11
Hanover Stairs, Rotherhithe Parish - - -	1 5
W. A. Murdock, Timber Wharf - - - - -	1 5
Spech and Redman, Wharf - - - - -	2 6
Henry Stokes, Wharf - - - - -	2 8
The Tunnel Company, Wharf - - - - -	0 11
John Grice, Anchor Smith's Wharf:	
East - - - - -	0 9
West - - - - -	1 9
James Dudley, Stone Wharf - - - - -	1 9
Public way, Rotherhithe Parish - - - - -	2 3
Church Stairs, Rotherhithe Parish - - -	1 9
Glebe Land Wharf - - - - -	0 7
Thames Tunnel, Wharf - - - - -	3 4
John Ward, Wharf - - - - -	1 6
John Fawcett, Wood Wharf - - - - -	3 1
Elephant Stairs, Rotherhithe Parish - - -	1 8
Sarah and Thomas Heath, and { Mast Yard } -	
Christian Britten - - - { and Wharf } - - -	2 2
Prince's Stairs, Rotherhithe Parish - - -	1 5
Thomas Courthorpe, Boat Yard - - - - -	1 6
King's Stairs, Rotherhithe Parish - - - -	1 9
Rotherhithe Stairs, Rotherhithe Parish - -	1 8
Francis Simmon, } Platform Wharf - - -	
Thomas Wing, } - - -	
William Hogg, } - - -	1 0
Richard Wright, } - - -	

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Silvanus

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Silvanus Grimes, Jonas Heydelback, Jonathan Garth, H. W. Courthorpe, Public way, Rotherhithe Parish, opposite to West Lane - - - - -	} Wharf and Platform - 1 0	Pt. in.	1 6
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57. You are familiar with water-side property, and the management of it?—Yes.

58. Practically, how is it regulated; how are the liabilities, as between the owner and the occupier, regulated in the matter of wharf-wall and river protection?—My impression is that, if we had the powers of seeing the various leases that existed between the owner and lessee, you would find that every one of them of necessity contained clauses by which the lessee shall maintain and uphold the river wall. If he do not uphold the river wall, of course his premises would be more or less destroyed; he must maintain them. In the property that I am speaking to myself, by some

defect, I think, in the wall when the lease was created, it so happened that I am under covenant to maintain the river wall, and I have done so at my own expense; but in 99 cases out of 100 it would be the reverse of that.

59. Let me follow that for one moment; is that a matter of bargain between lessor and lessee; if the lessee takes it upon himself, he gets the premises so much cheaper; if the lessor takes it upon himself, he gets either the whole, or a part, from his tenant?—Unquestionably.

60. It is a matter of mutual arrangement?—It is a matter of mutual arrangement.

61. Ultimately, does that practically fall upon the owner?—Practically it must do so, because, if it was not borne by the lessee, the owner would charge a higher rent.

62. Practically, it is the old question of the tithe commutation rent-charge?—Yes.

[Adjourned to Wednesday, at Twelve o'clock.]

Wednesday, 30th April 1879.

MEMBERS PRESENT:

Mr. Birley.
Mr. Maurice Brooks.
Mr. Alexander Brown.
Mr. Chamberlain.
Sir Charles Dilke.
Mr. Wilbraham Egerton.

Viscount Emlyn.
Mr. W. E. Forster.
Mr. Goldney.
Sir James McGarel-Hogg.
Sir Trevor Lawrence.
Sir Baldwyn Leighton.

THE RIGHT HONOURABLE W. E. FORSTER, IN THE CHAIR.

The Chairman.] I JUST want to state what I believe to be the view of the Committee. We have the evidence of the previous Committee referred to us, and, therefore, we would hope that the promoters would not feel it necessary generally to repeat that evidence. Of course, all cases of fresh matter, or where it is necessary to connect one thing with another, can be gone into; but we should be glad that the promoters should not suppose that we are unacquainted with the previous evidence, and have not got it before us. The same remark would apply to cross-examination upon what was really stated in the previous Committee, and which need not be repeated now.

Mr. Philbrick.] I will endeavour, as far as I can, to adopt the suggestion which has fallen from you, Sir, and will at once proceed with the examination of the witness.

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Mr. GUILDFORD BARKER RICHARDSON, re-called; further Examined by Mr. *Philbrick*.

63. I BELIEVE that you have been requested by your colleagues on the Board to attend here, and explain to the Committee their views in presenting this Bill which is now before the Committee?—That is so, and also to endeavour, as far as I may be able, to prove that the Bill is drawn as a fair and equitable settlement of the question.

64. Will you state to the Committee the reasons that have induced the Board to put the Bill upon the present lines?—I stated last Monday that one of the principal reasons was that it was very desirable that the matter should be finally settled; and another reason is, that the present Bill is a compromise; and I stated as a third reason, that the present Bill leaves the incidence of cost mainly where the Legislature left it in 1855, and, as we may reasonably suppose, for good and sufficient reasons, and there does not appear any good and sufficient reason to the Metropolitan Board why that incidence of cost should be changed; because we say it bears a closer resemblance to that which has been the course for years and years under the late Commissioners of Sewers.

65. What is the reason which induced the Board not to adopt entirely the resolution of the Committee of 1877 as to the incidence of taxation?—That is a somewhat difficult question to answer; and I must ask the forbearance of the Committee for a few minutes while I endeavour to answer the question. First of all, I venture to say this on the part of my colleagues and myself, and I may say so on the part of the able Chairman of our Board, that the Metropolitan Board, if any statute is passed by the Legislature, whether it be a statute that the Board would approve, or whether it is one that they would not have

ventured to ask Parliament to give them powers for, would faithfully and loyally carry out that statute to the utmost of their ability; but there is a wide difference between a statute which we are required to fulfil, and the opinion or resolution of a Committee of this Honourable House, which may be carried by one, or two, or three Members, the majority of that Committee. And it is to be remembered, I think, that the Metropolitan Board, when first constituted by Parliament, was constituted a representative body. It is also given very large discretionary power by the 144th section of the statute, for the purpose of enabling it to apply to Parliament for such new powers as they might from time to time think necessary to enable the Board to carry out new improvements, or to do that, in the words of that particular clause, which was for the benefit of the inhabitants of the metropolis. Therefore I may say that the question seems to follow whether or not there was that in the decision of the Committee of 1877 which should have induced the Board to part with their representative character; because if they for a light reason forewent that which was in their own judgment most carefully arrived at, they did, in fact, depart from and lose their representative character. That which they had presented to that Committee they thought was for the interest of the metropolis at large; therefore, if they parted with it, they were, in fact, parting with their representative character, and they are bound as a board to do that which they consider most beneficial for the interests of the inhabitants of the metropolis. I may say also, as bearing upon this question, as I think the Right honourable Chairman of the Committee will remember, that only a few years back the Metropolitan Board applied to

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Parliament for power to enable the Board to carry out works in Park-lane, and they prepared a Bill and presented it to Parliament, to enable them to open up Hamilton-place and to widen it. That went to a Committee of the House, and the House refused to pass the preamble, expressing their opinion that the proper course was to widen Park-lane. The Board did, upon that occasion, defer to the opinion of the Committee, and brought in a Bill for the widening of Park-lane that went also to Committee, and another Committee refused also to pass the preamble of the Bill, saying that the proper course was to widen Hamilton-place; and afterwards Hamilton-place was widened, and I may say, therefore, from that that I suppose that a Committee of this Honourable House hardly claims the privilege of infallibility. Therefore there was fair reason in the minds of the members of the Board to consider whether or not the opinion or decision of the Committee of this Honourable House was so binding upon the Board as to warrant them and justify them in departing from that which they considered really to be for the interests of the metropolis at large.

66. In putting the costs of the works themselves that are to be done upon the owners, that is equitable and fair?—That is what the Board considered to be equitable and fair, as the Bill was then presented to the Committee of the House, and they not only thought so, but they thought that it would be exceedingly unfair and inequitable, and I might use stronger words than that, and say contrary to public policy, that any public money should be used for the private benefit and personal advantage of private individuals.

67. Taking the onus of private compensation upon themselves, does the Board think it has stepped a long way forward to meet the owners of those properties?—The majority of the Board think they have gone a long way forward in consenting, in this Bill, to introduce clauses making the compensation, such as it may be, a metropolitan charge.

68. Now I will come more particularly to the matters in this Bill: there are some of the district boards that have practically done the works that were desired, are there not?—Many of them have done so.

69. Limehouse, for instance?—My own district board has done very large works. The Limehouse Board state in their petition that they have done so. The City of London state that they have done all that is necessary. Poplar has done all that is necessary; indeed, I may say generally that I do not think there is one district on the north side of the Thames, saving and excepting Fulham, that has done nothing; and I do not think on the south side of the Thames there is any other district but Wandsworth and St. Saviour's that have done nothing. I believe St. Saviour's has done little or nothing, as they invariably and distinctly refused to do anything, though they have been urged by the Metropolitan Board of Works to do so.

70. After the plans were produced before the Committee of 1877, and the precise proposals affecting each property being brought home to the knowledge of the different owners, is it the fact that a great many of the owners have themselves done the works which were suggested by the engineers?—It was stated before the last Committee, in evidence, that the Metropolitan Board of Works ordered their engineer, Sir

Joseph Bazalgette, to address a letter to every frontager along the river, urging upon them to raise their wharf walls or premises to such a height as to prevent the, incoming of high tides, and the return which we had made to us some little time after that was done was that two-thirds, and at one time Sir Joseph Bazalgette reported that three-fourths, of all the frontagers had done that which was necessary to prevent the influx of high tides.

71. Have you found that since, while this matter has remained undecided, various owners have adopted those precautions?—I understand so; and some most salient cases will be proved by those coming after me. Some of the gentlemen who petitioned against the Bill on the last occasion have done that which was suggested to them in this room, and they have found it so beneficial to themselves that they wonder they were foolish enough to petition against the Bill on the last occasion. They have stated so.

72. After the proceedings of the Session of 1877, do you remember the Board receiving from the Secretary of State a memorial that had been sent to him from St. Saviour's?—I do so.

73. And, also, you remember the reply that was sent, praying the Government to take such steps as they considered necessary for promoting or facilitating legislation for preventing tidal overflows of the River Thames, and providing for a distribution of the expense over the entire metropolis, or to adopt such other measures as the Government thought equitable; was that taken into consideration in December 1877?—Yes; it was referred by the Board to the Works and General Purposes Committee, and on the 2nd December 1877, the Works Committee addressed this letter to Mr. Cross, the Home Secretary.

[The letter was handed in, and is as follows:—]

“Metropolitan Board of Works, Spring-gardens, 22nd December, 1877. Sir,—The Metropolitan Board of Works has had under consideration the memorial addressed by the Board of Works for the district of St. Saviour's, Southwark, to the Secretary of State for the Home Department, on the subject of the exposure of that district to inundation on the occasion of high tides in the Thames; the memorial having been forwarded by you on the 4th instant, with a request that the Board would return the same with its observations thereon. The memorial calls attention to the Bill which this Board laid before Parliament last Session for providing against the overflow of the river, and to the resolution come to by the Select Committee of the House of Commons which inquired into the subject, and the consequent withdrawal of the Board's Bill; it then states that the Board has allowed the time to elapse within which notice of any application to Parliament next year must be given, and infers that the Board has resolved not to take any action in the matter next Session; and it concludes with an appeal to the Government to promote or facilitate some legislation for preventing tidal overflows of the river, and for providing for the distribution of the expense over the entire metropolis. It might possibly be inferred from this memorial that the Board was indifferent to the damage done by the

the inundations, and to the suffering caused to the poorer classes living in the rear of the wharves and warehouses on the river banks, and it may be well to show, in the first place, that such an influence would be entirely unfounded. Ever since the first serious inundation in March 1874, the subject has engaged the anxious attention of the Board, and everything which it was in the power of the Board to do, to assist the local authorities and all concerned in providing a remedy, has been done. A careful survey of the banks of the river was made by the Board's engineer, and the information obtained as to the height to which it was necessary to raise the various banks and defences, together with any other advice which the Board's officers could give, was placed at the disposal of all who had any responsibility or interest in the matter. They were at the same time counselled and urged, in the strongest manner compatible with the absence of any legal power in the Board, to do what was pointed out to them as necessary to completely prevent the river overflowing its banks. It will be evident to the Secretary of State that, great as is the Board's desire to see the metropolis protected from inundations, the Board's action must be determined and governed by the law, and the law of the case is clear. Every Act of Parliament relating to the prevention of the overflow of the sea or rivers, from the Act of the 23rd year of Henry VIII., commonly known as the Bill of Sewers, down to the present time, affirms or recognises the principle that the cost of works for keeping out the waters from the land shall be borne by the owners of property in the area benefited thereby. By the Act of 23 Henry VIII. it was enacted that Commissioners of Sewers should be instituted for all places where need might require, the Commissioners named in which were to have power to do all necessary works for preventing the influx of the waters, and to charge the cost of the works on the owners of the land benefited. And this is the law at the present day, which governs the action of Commissioners of Sewers in all parts of England. In the metropolis the Commissioners of Sewers, who existed up to the time of the passing of the Metropolis Local Management Act in 1855, and who exercised powers in strict accordance with the law as above stated, were superseded by the local authorities constituted by that Act, that is to say, the vestries and district boards; and those bodies are by the 69th section of the Act of 1855 required to cause all banks, wharves, docks, or defences abutting on or adjoining any river, stream, canal, pond, or watercourse in such parish or district, to be raised, strengthened, or altered or repaired, where it may be necessary so to do for effectually draining or preventing from floods or inundations such parish or district. The 70th section provides that, wherever any party is by prescription, by reason of tenure or otherwise, liable by law to maintain or do any repairs to sewers, banks, watercourses, or works which a vestry or district board may think it necessary to alter or improve, the vestry or board may do the work, and

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divide the expense between the party liable and the parish or district; and the 159th section of the same Act provides that when any expenses shall have been incurred for the special benefit of any particular part of a parish or district, the vestry or district board may charge the expenses upon such particular part, and exempt other parts from the payment. It is thus manifest that the law relating to the prevention of floods in the metropolis, following the general law of the land, makes the vestries and district boards responsible for keeping up the river walls and banks, so as to prevent inundation, and enable them to charge the cost of such maintenance upon the area benefited thereby. And it was not until quite recently that this responsibility was ever questioned, or sought to be avoided. When in the year 1874, shortly after the first of the recent inundations, the Metropolitan Board called the attention of the local authorities of the districts fronting the river to the responsibility which devolved upon them, and the powers they possessed under the Local Management Act for keeping out the water, there was no denial of responsibility on their part. Their answer to the Board was that they had found their powers insufficient, the defect appearing to consist in the absence of any powers to enter upon private property to do the works prescribed by the Act of Parliament. The very district board whose memorial to the Home Secretary is the subject of this communication mentioned this as the difficulty it met with in the matter, and the authority of another district, with a considerable river frontage, the Limehouse District Board, after stating that all the public approaches to the river within its district and under its control had been raised to a level sufficient to prevent inundations, said that there were serious difficulties in the way of entering upon private property to raise the frontages of wharves abutting on the river, and that many questions would arise, among others, that of compensation for damage. The Board was therefore asked to obtain power from Parliament for the district boards to require the owners of all wharves to raise them to a sufficient height to keep out the highest tides, and, in the event of the owner's neglect or refusal to empower the district boards to enter and perform the works, and recover the expenses, such expenses being made a charge upon the property. The Metropolitan Board, thinking it possible that the difficulty pointed out by the district boards might really exist, resolved to assist them by applying to Parliament to give them the power they required to carry out the obligations imposed upon them; and it was not until the Board had prepared a Bill for this purpose that the question of responsibility was raised by any local authority, or any effort made to shift that responsibility from those upon whom Parliament had placed it to another body, and to make the cost of keeping out the river a metropolitan charge instead of a charge upon the area to be benefited thereby. If there ever should have been any doubt as to the duty cast upon the vestries and district

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boards by the Act of 1855, it must have been removed by the judgment delivered in the Queen's Bench Division of the High Court of Justice on the 12th of June last, in the case of the Board of Works for the Plumstead District against certain Commissioners of Sewers. In that judgment, a copy of which is sent herewith for the information of the Secretary of State, it was laid down that the 69th section imposed a specific obligation on the district board of works to protect the district from the inundations of the river. But it may be said that, granting the law of the case to be as is here stated, the law presses with undue hardship upon certain districts, and should therefore be amended, and the amendment should be in the direction of making the prevention of floods a metropolitan duty and the cost of it a metropolitan charge. Now, in the first place, it is difficult to concede that a law which has been in existence 350 years, which applies to the whole country, and subject to which all land exposed to inundation by the sea or rivers has been held or dealt with during this long period can now be said to press with undue hardship upon the authorities or upon the owners of land in any particular district. But, even supposing that there was any apparent cause of hardship, the injustice which would be wrought upon other parties by altering the incidence of the burden would be out of all proportion greater. That this would be so, the following considerations will suffice to show. The authorities of some of the river-side districts have effectually prevented the overflow of the river within their borders; in one district, that of Greenwich, a special rate was made on two occasions by the vestry for the maintenance and repair of the river wall, and the rate was levied, not on the parish, but on the area benefited by the work. Again, in January of the present year, when very high tides were prevailing, the Board issued a notice to all owners of property on the foreshore of the Thames, calling their attention to the desirability of raising the frontage of their property so as to prevent the influx of water. The Board, as has been already stated, had no legal power to require them to do this, but as many of the local boards, upon which the responsibility rested, hesitated to take any action in the matter, the Board thought it right, for the sake of the poorer classes living in the rear of the wharves and warehouses on the banks of the river, to whom these floods are so disastrous, to represent the case to the owners of property, believing that many, if not all of them, would do what they could to ensure that, so far as their property was concerned, the overflow of the river should be effectually prevented. The Board was convinced that there was no need for any expensive work of embankment, and its engineer expressed the opinion, formed after a personal inspection, that it was quite possible, at an expenditure of a few thousand pounds, to prevent the overflow of the Thames within the denser portions of the metropolis by the highest tides that had ever yet been recorded. The Board's suggestion was to a large extent acted upon, and in the

month of March its engineer was able to report that about two-fifths of the number of persons upon whom notices had been served had carried out, either wholly or partially, the Board's recommendations, and that others were considering the propriety of doing so. The pressure of other business on the Engineer's Department has hitherto prevented a second survey being made to ascertain what further works have been done; but one is now being made, and it will probably be found that by this time two-thirds, if not three-fourths, of the owners of river-side property have made it secure against inundation. This being the case, the Board is at a loss to perceive upon what principle of fairness or equity it can be proposed that local authorities which have neglected their responsibilities should be entirely relieved from them, and the owners of property which for centuries has been liable to bear the cost of keeping out the water should have this work done for them at the cost of the rate-payers at large, the immense majority of whom would be in no way benefited by it, and some of whom, being owners of river-side property, have carried out similar works entirely at their own cost. To sanction such an arrangement would be to attach a direct disadvantage to the fulfilment of legal obligations, and to offer a premium for neglect to fulfil them. The Board is still of opinion that the principle of the Bill which it laid before Parliament last Session is the true principle upon which this question should be dealt with. It recognises and affirms the existing law, which applies to the whole of England, and which, by the Metropolis Local Management Act, was specially re-enacted for the metropolis, and any alteration of which to meet cases in which the authorities have failed to fulfil their statutory duty, can only be made with great injustice to those who have faithfully discharged the obligations resting upon them. In conclusion, I am to say that it is somewhat premature for the St. Saviour's District Board to infer that because notice has not been given of a Bill, the Metropolitan Board has no intention of taking further action in the matter. The question is still receiving careful consideration, and should it be decided to lay a measure before Parliament next Session, the Board does not anticipate that, under the special circumstances of the case, the fact that notice was not given at the usual time would be an insurmountable obstacle to such a measure being proceeded with. I return herewith the memorial of the St. Saviour's board, and also the two memorials on the same subject transmitted by you on the 10th instant, one from the Vestry of Lambeth, and the other from the representatives of the local authorities of several of the river-side districts."

74. Mr. Philbrick.] Does that letter clearly express what was your opinion and the opinion of the majority of the Board after careful deliberation upon the subject?—I think it states most clearly; it would hardly be possible for the Board to more correctly express the views of the Board, and I would ask the attention of the Members of the Committee to it.

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Mr. *Richards*.] It is an answer to a letter. We ought to have the letter to which it is an answer put upon the notes. We do not know anything about the correspondence.

75. Mr. *Philbrick*.] But this is an answer to a memorial transmitted by the Secretary of State to the Metropolitan Board of Works, asking them to favour him with their observations upon it?—It is a memorial from the St. Saviour's District Board to the Home Secretary, in fact, complaining of the Metropolitan Board of Works having taken no action in that year, 1877, by proceeding to Parliament for the purpose of remedying these evils.

76. The *Chairman*.] First or last, we ought to get that memorial?—I have the memorial here.

77. Mr. *Philbrick*.] The letter of Mr. Liddell is dated the 4th of December 1877?—I do not think I have the memorial amongst these papers. It is in a memorial, not to the Board, but a memorial to the Home Secretary.

78. This is it: "I am directed by the Secretary of State to transmit to you herewith a memorial under the common seal of the St. Saviour's District Board of Works, upon the subject of inundation caused by overflow of the Thames, and I am to request that you will move the Metropolitan Board of Works in returning the same to favour Mr. Cross with their observations thereon." Then the memorial is, "The humble petition of the St. Saviour's District Board of Works: Showeth, 1. That your memorialists are the local authorities for a district on the southern bank of the Thames, comprising the parishes of St. Saviour and Christchurch in the county of Surrey, both of them liable to be flooded by the overflow of the river, on the occurrence of very high tides which take place more frequently than formerly. 2. That your memorialists, in conjunction with the local authorities of Lambeth, Fulham, Wandsworth, and St. Olave's, during the last Session of Parliament, opposed a Bill promoted by the Metropolitan Board of Works for preventing the loss consequent on the overflow of the River Thames, on the ground that the Board by such Bill sought power to execute, or compel the execution by the vestries and local boards at the cost of the river-side parishes of any works considered necessary by them, alleging that the duty of preventing the overflow of the river was cast upon the vestries and district boards by the Metropolitan Local Management Act. This Bill having been referred by the House of Commons to a Select Committee, such Committee came to the conclusion, and reported to the House, that the most equitable mode of charging and meeting the expenses to be incurred for the prevention of floods within the metropolitan district, would be that the works should be carried into effect by the Metropolitan Board of Works, and the expenses paid by a rate levied over the whole metropolitan area. On this decision being announced, the Metropolitan Board declined to accede to the principles laid down by the Committee, and withdrew the Bill. Your memorialists, in common with the adjoining river-side parishes, thereupon appealed to Her Majesty's Government to take steps for their protection, but the advanced state of the Session prevented the Government from intervening in their behalf. 3. Your memorialists have been given to understand that the Metropolitan Board of Works, at 0.89.

a meeting held on the 16th day of November instant, came to a resolution not to take any steps for adopting or acting upon the aforesaid resolution of the Select Committee of the House of Commons, and have determined not to take any action for the prevention of floods during the coming Session. Moreover, the Board has now allowed the time to elapse within which notice of any application to Parliament must be given. 4. Your memorialists therefore again venture to appeal to Her Majesty's Government to take such steps as they may be pleased to consider necessary for promoting or facilitating legislation for preventing tidal overflow of the River Thames, and for providing for the equitable distribution of the expenses consequent upon works undertaken for that purpose over the entire metropolis, or to adopt such other measures as shall seem to them meet and equitable. And your memorialists will ever pray." Upon the first clause I will read this letter: "It might possibly be inferred from this memorial that the Board was indifferent to the damage done by the inundations, and to the suffering caused to the poorer classes living in the rear of the walls and warehouses on the river banks, and it may be well to show, in the first place, that such an inference would be entirely unfounded. Ever since the first serious inundation, in March 1874, the subject has engaged the anxious attention of the Board, and everything which it was in the power of the Board to do, to assist the local authorities and all concerned in providing a remedy, has been done. A careful survey of the banks of the river was made by the Board's engineer, and the information obtained as to the height to which it was necessary to raise the various banks and defences, together with any other advice which the Board's officers could give was placed at the disposal of all who had any responsibility or interest in the matter. They were at the same time counselled and urged, in the strongest manner compatible with the absence of any legal power of the Board, to do what was pointed out to them as necessary to completely prevent the river overflowing its banks." Then it gives the history of the matter, which I need not read, and then it proceeds: "But it may be said that, granting the law of the case to be as is here stated, the law presses with undue hardship upon certain districts, and should therefore be amended, and the amendment should be in the direction of making the prevention of floods a metropolitan duty, and the cost of it a metropolitan charge. Now, in the first place, it is difficult to concede that a law which has been in existence 350 years, which applies to the whole country, and subject to which all land exposed to inundations by the sea or rivers has been held or dealt with during this long period, can now be said to press with undue hardship upon the authorities or upon the owners of land in any particular district. But, even supposing that there was any apparent cause of hardship, the injustice which would be wrought upon other parties by altering the incidence of the burden would be out of all proportion greater. That this would be so the following considerations will suffice to show. The authorities of some of the river-side districts have effectually prevented the overnow of the river within their borders; in one district, that of Greenwich, a special rate was made on two occasions by the vestry for the maintenance and repair of the river wall, and the rate was levied, not

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on the parish, but on the area benefited by the work. Again, in January of the present year, when very high tides were prevailing, the Board issued a notice to all owners of property on the foreshore of the Thames, calling their attention to the desirability of raising the frontage of their property, so as to prevent the influx of the water. The Board, as has been already stated, had no legal power to require them to do this, but, as many of the local boards, upon which the responsibility rested, hesitated to take any action in the matter, the Board thought it right, for the sake of the poorer classes living in the rear of the wharves and warehouses on the banks of the river, to whom these floods are so disastrous, to represent the case to the owners of property, believing that many, if not all of them would do what they could to ensure that, so far as their property was concerned, the overflow of the river should be effectually prevented. The Board was convinced that there was no need of any expensive work of embankment, and its engineer expressed the opinion, formed after a personal inspection, that it was quite possible, at an expenditure of a few thousand pounds, to prevent the overflow of the Thames within the denser portions of the metropolis, by the highest tides that had ever yet been recorded. The Board's suggestion was to a large extent acted upon, and in the month of March its engineer was able to report that about two-fifths of the number of persons upon whom notices had been served had carried out, either wholly or partially, the Board's recommendations, and that others were considering the propriety of doing so. The pressure of other business on the engineer's department has hitherto prevented a second survey being made, and it will probably be found that by this time two-thirds, if not three-fourths, of the owners of river-side property has made it secure against inundation. This being the case, the Board is at a loss to perceive upon what principle of fairness or equity it can be proposed that local authorities, which have neglected their responsibilities, should be entirely relieved from them, and that owners of property which for centuries has been liable to be at the cost of keeping out the water should have this work done for them at the cost of the ratepayers at large, the immense majority of whom would be in no way benefited by it, and some of whom being owners of river-side property, have carried out similar works entirely at their own cost. To sanction such an arrangement would be to attach a direct disadvantage to the fulfilment of legal obligations, and to offer a premium for neglect to fulfil them. The Board is still of opinion that the principle of the Bill which it laid before Parliament last Session, is the true principle upon which this question should be dealt with. It recognises and affirms the existing law, which applies to the whole of England, and which, by the Metropolis Local Management Act, was specially re-enacted for the metropolis, and any alteration of which to meet cases in which the authorities have failed to fulfil their statutory duty, can only be made with great injustice to those who have faithfully discharged the obligations resting upon them. In conclusion, I am to say that it is somewhat premature for the St. Saviour's District Board to infer that, because notice has not been given of a Bill, the Metropolitan Board has no intention of taking further action in the matter. The question is still receiving careful consideration, and, should it be decided to lay a measure before Parliament

next Session, the Board does not anticipate that under the special circumstances of the case, the fact that notice was not given at the usual time would be an insurmountable obstacle to such a measure being proceeded with." In fact the Board did prepare a Bill.

79. Sir *Baldwyn Leighton*.] The date of that letter is December 1877. The second occasion occurred in January. There was a former occasion when you said the order was complied with?—Yes.

80. And an order was issued which was complied with?—Not an order, a request was issued by the Metropolitan Board of Works to all the frontagers whose frontages were below the height to which the engineer of the Board thought necessary for the prevention of floods to raise their walls; that has been complied with by two-thirds of those to whom it was sent, and afterwards the letter states that upwards of three-fourths out of the whole number of premises on and abutting on the river had raised their wharf walls sufficiently high.

81. The *Chairman*.] Before you leave that letter, we ought to know whether there has been an answer to it?—There is an answer from Mr. Liddell, very short indeed, as follows:—

"28th December 1877. I am directed by the Secretary of State to acknowledge the receipt of your letter of the 27th instant on the subject of the memorial addressed to him by the Board of Works for the District of St. Saviour's, Southwark, relative to the exposure of that district to inundation on the occasion of high tides in the Thames; and I am to acquaint you, for the information of the Metropolitan Board of Works, that the matter appears to Mr. Cross to be of such vital importance to so many who cannot help themselves, that he hopes some means may be found by which another Session may not pass without some remedy being provided for the present miserable state of things.

82. The *Chairman*.] Has there been any other correspondence between the Metropolitan Board of Works and the Home Office in reference to the matter?—I think so; there is one conveying a communication from the Local Government Board.

83. Mr. *Philbrick*.] I am not aware of any letter from the Secretary of State, excepting the letter of inquiry, the letter from Mr. Lushington of the 2nd April 1878, acknowledging the receipt of a letter from the Metropolitan Board of Works, enclosing copy of the Public Bill of 1878; that letter is dated the 17th of April 1878?—There is one this year, I think.

84. The *Chairman*.] I think that they ought all to be handed in?—There is one from the Home Secretary, enclosing a letter from the Local Government Board, expressing their views.

85. Mr. *Philbrick*.] February 13th, 1879, is the date of one letter?—Yes.

86. I may say that there is nothing in the letters at all that need not form part of our case; they are quite at my learned friends' service, as far as copies are concerned; there is no reason why they should not see them, and make any use they like of them. The only letter which states the policy of the Board, and which goes into the matter fully, is the one which we have troubled Mr. Richardson with. There is one from the Local Government Board, enclosing a communication,

cation, but the substance of all the letters is merely enquiry?—The subject of that letter is calling the attention of the Board to the views expressed by the Committee of the House of Lords.

87. Mr. Richards.] And asking you why you did not carry them out?—They do not ask that at all.

88. Mr. Philbrick (*to the Witness*).] I am now going to ask you this question: so far as the history of the river goes, what was there along the river edge of the Thames; the margin of the river?—There are remainders, as I may call them now, of the old river banks still existing in many parts of the Metropolis; for instance, Bankside is a remainder of the old river bank. If you go down into Greenwich, you see in front of Greenwich Hospital the old river bank kept by the Greenwich Hospital authorities. The moment you leave Greenwich Hospital and go further down, the river bank continues, over which from time immemorial there has been a public way, and there is a public way still, and the owners and lessees of large manufactories have tried all that they could do to stop that right-of-way on the top of the embankment, and they cannot do so.

89. The Chairman.] You know the different parishes, I suppose?—Yes.

90. Will you tell us the different parishes all the way along?—The furthest parish is the parish of Putney; then we come to Wandsworth; then the parish of Battersea, which extends up to that point (*pointing to the Map*). Then comes the parish of Lambeth, which extends to here. Then comes the St. Saviour's District Board; that comes up to London Bridge. St. Olave's takes it from London Bridge to Bermondsey, and then comes Deptford and Greenwich; that takes it round until you come to the Plumstead Board of Works, and then comes the parish of Charlton; that is separated from the Plumstead District Board by the parish of Woolwich, which was a local board of health before 1855, when the Metropolis Local Management Act was passed; and therefore it was allowed to retain its old form, and is still governed by a local board of health, subject to the Metropolitan Board of Works. Then the Plumstead Board begins opposite the Royal Arsenal, and carries it along through Plumstead up to the metropolitan boundary. On the north side at Barking Creek, there is part of North Woolwich, which is part of the parish of Woolwich, governed under the same authority. Then comes another little bit not within the metropolis; then comes a piece of Woolwich again; then comes a piece not within the metropolis; this is West Ham. Then there comes the Poplar District Board of Works; exactly opposite is Greenwich Hospital, and working on to Limehouse, Limehouse takes it up to the Tower of London; then there is a little piece of the frontage of Whitechapel, and then comes the City of London.

91. Is Whitechapel the same district as the yellow on the opposite side?—No, Whitechapel has a small frontage to the river; it runs a good deal back; it is a separate parish under the Act. Then comes the City of London, then comes the Strand Local Board, then comes St. Martin's-in-the-Fields, then St. James' Westminster, then comes St. George, Hanover-square, then comes Chelsea, which takes it down to there (*pointing to the Plan*), and then comes Fulham.

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92. Mr. Philbrick.] As you have mentioned that, will you kindly tell the Committee the part which you said was not within the metropolitan area; the part not coloured, by North Woolwich?—This is not within the metropolis (*pointing to the Plan*).

93. How is it protected from flooding?—That is the river bank (*pointing to the Plan*). I believe some buildings have now come on to the top of the river bank, but where there are no buildings on the river bank, there is the river bank which has been there for centuries.

94. Maintained by whom?—That is under the Dagenham level, which runs from here (*pointing to the Plan*) down to the Dagenham marshes, and beyond.

95. West Ham is in the Dagenham level, is it not?—Yes, the pumping station is close by. The Metropolitan Board have part of the frontage of this land, and we had a demand made upon us, only a few months back, by the Dagenham level, for the maintenance of this river bank.

96. That arose by reason of your having your pumping station there; of course the land would have frontage?—Yes; I think we had 20*l.* or 30*l.* to pay a few weeks back.

97. As owners, you were compelled to make up the bank which was the protection of that part?—Yes, as owners.

98. I believe the Isle of Dogs forms an island by reason of the docks?—When I was a boy, I remember the Isle of Dogs opposite the Greenwich Hospital, there being nothing but the river bank with a right of way along the top of the river bank. This was all river bank with a right of way on the top of it, and that has been so from time immemorial, and I contend that that has been so throughout the whole of the metropolis; and gradually the river bank has been absorbed for mercantile and other purposes. I have brought a very old map with me, it is a copy of the oldest map that was ever made of London (*producing a Map*); I will place this before the Committee to illustrate what I mean. I think the date of this map is 1543. This is another map (*producing another Map*). This is on a very much larger scale. This is a hundred years later. It is Rocque's map.

99. I rather gather that where the wharves have come they have come over what was a public road at the edge of the river?—The buildings for mercantile purposes have one after another been allowed to be built along the top of this public way, or the river bank, and what I would contend is this, that the moment a warehouse, for instance, is erected on the river bank it took the place of the river bank, the river bank ceased to exist and the premises became the river bank, and the owner of the premises allowed to be built there was of necessity obliged to maintain and keep up the defence against the river, because he had covered the river wall. I may illustrate that by saying that there are very large factories. I can speak more easily of my own district. We have had no end of applications to the Greenwich Local Board, by the lessees of the property on the river wall, in the Greenwich parish, to have permission to come close up to the river bank and to build upon it. The Greenwich District Board have said, "You may do so if you give us a 40 feet road at the back," they have never been able to do it, and we have refused to let them build upon the river bank. We have said, "If you build upon the river bank,

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bank, you must maintain the river bank." That is the position that we have taken all the way through. They cannot agree to give the land necessary for the road, and the consequence is that our footway at the top of the river bank continues to this day, and none of the owners of the property have a right over the embankment, though they have tried to get it in every possible way. We have taken them into a court of law, but they have yielded when it came to trial.

100. I have found the communication from the Secretary of State of the Home Department; it is dated the 18th of January 1879: "Sir,—I am directed by the Secretary of State to transmit to you herewith, to be laid before the Metropolitan Board of Works, with reference to your letter of the 10th ultimo, a copy of a letter from the Local Government Board, containing observations on the 'Thames River (Prevention of Floods)' Bill, now being promoted in Parliament by your Board." Then the letter from the Assistant Secretary of the Local Government Board is dated the 13th of January 1879, is on this very Bill, and it is this: "Sir,—I am directed by the Local Government Board to acknowledge the receipt of your letter of the 17th ultimo, forwarding by direction of Mr. Secretary Cross a copy of the Thames River (Prevention of Floods) Bill, and requesting the observations of the Board on the proposed measure. The Board may remark that a somewhat similar Bill was brought into the House of Commons in 1877, and referred to a Select Committee. The Committee resolved that the most equitable mode of charging and meeting the expenses to be incurred for the prevention of floods within the metropolitan district, would be that the works should be carried into effect by the Metropolitan Board of Works, and the expenses paid by a rate levied over the whole metropolitan area. The Metropolitan Board of Works thereupon withdrew the Bill. Another Bill was introduced last Session, but it did not get beyond a first reading. It will be observed that in the present Bill the resolution of the Select Committee has not been acted upon. The owners of the property adjoining the river and the local authorities (so far as any works may be necessary on property vested in them or subject to their control) are to bear the cost of the works. It appears to the Board that if the Metropolitan Board of Works are vested with authority to execute, or superintend the execution of such works as may be necessary, they ought to bear at least a moiety of the cost, though it would be reasonable that some portion of the expense should be recovered from the riparian parishes, and the authorities of these parishes might in turn be empowered to recover some part of their contributions from the riparian owners. The Board may add that the propriety of rating lands and houses below the flood level at a higher amount than those above it, is distinctly recognised in the Report of the Select Committee of the House of Lords on Conservancy Boards, No. 159, Session 1877."

101. The Lea Conservancy, which to some extent is within the metropolitan district, by the Act of 1868 is empowered to make bye-laws, is it not?—It is empowered to make bye-laws under the 116th Section. "The Conservancy Board may from time to time make bye-laws for the following purposes, or any of them: For regulating and increasing the maintenance, re-

pair, construction, erection, and use of landing places, piers, jetties, wharves, bridges, footpaths, cranes, and other works and conveniences in or on the banks of the navigable part of the Lea." Under that clause they have made a bye-law. This is the Lea Conservancy Act of 1868, the 31 & 32 Vict. c. 154, and the bye-law which the Lea Conservancy have made under that Section is as follows: "The owner or occupier of any wharf on the banks of the navigation" (these words are important), "except where the towing-path runs between such wharves and the water, shall at all times keep the water-wall or wharfing in good and sound repair and of sufficient height to prevent the water from flowing on or over the same to the satisfaction of the engineer of the Board: Provided that if the said engineer be not satisfied in any case the owner or occupier may appeal to any justice of the peace acting for the district in which the wharf is situated, and the decision of such justice shall be conclusive as to the sufficiency of the work." That shows what I was contending for before, that where there is a right of way between the building and the river, then the owner of the building is not liable for the maintenance of the wall, but that the moment he is allowed to build over the wall itself, from that moment he becomes liable for the maintenance of a defence against the inroads of the river. That shows that all the proceedings of the late Commissioners of Sewers were in strict accordance with that which has been done since 1868 by the Conservancy.

102. Mr. Goldney.] Who is liable for the maintenance of the towing path?—The Lea Conservancy; there is power in the statute to enable the Lea Conservancy to give permission to the owners of the property to build on, and close up to, the river, under certain circumstances.

103. Sir Trevor Lawrence.] You put upon the owners of property where there is no towing path between the river and the property, a sort of prescriptive duty of maintaining the bank; is there in any of the title deeds to this property, that you are aware of, any such obligation?—I would contend—

104. As a matter of fact, I ask you?—As a matter of fact, I cannot say; we have not had any information upon it, but what I have contended for is this—

105. I quite understand your contention?—We cannot go into the early titles, we have no information upon them; the moment that a man was allowed to build upon the river wall, from that moment he must have been called upon to maintain that wall.

106. Sir Baldwin Leighton.] From what did you read that bye-law?—It is copied out from the Lea Conservancy Board Bye-law. This is an official copy of their bye-laws. It is the 18th Bye-law.

107. Made under Statute?—Yes; made under the 116th section of the Lea Conservancy Act.

108. Is that what you were reading from?—I read the 116th section of the Act of Parliament, and the 18th bye-law made under it.

109. Mr. Philbrick.] A reference was made, in the letter that I read, to the Duke of Richmond's Committee of 1877, and the Report of the Committee was, "with reference to these considerations, and looking to the extreme difficulty of rating lands according to the benefits derived, the Committee think that the rate should be

be distributed over the whole area of the watershed, the lands and houses within the flood level being rated at a higher amount than those above it, and other deviations and exceptions being made to meet particular cases." That is what the Local Government Board referred to in the letter which Mr. Cross transmitted to the Metropolitan Board of Works for their remarks upon this Bill?—I would draw the attention of the Committee to the word "river" in the 69th section.

110. With reference to the question of two of the rivers; there are two small rivers still left on the south side of the Thames, the Ravensbourne and the Quaggy, where there are considerable floods from rainfall?—The point is this: that whereas the Thames has overflowed by reason of extraordinary high tides that have taken place from time to time, there are many other rivers in the metropolis which are very largely flooded from heavy rainfalls; those rivers that I particularly refer to are the Ravensbourne and Quaggy; in my own neighbourhood, where I have lived for years, the amount of damage and injury that has been sustained by the houses and persons living in that neighbourhood, has been exceedingly great in the last few years, and the same section, section 69, which compels the local authorities to prevent floods of the river from high tides, requires these local boards and vestries to prevent floods from heavy rainfall. Now if the principle adopted by the late Committee was to be applied to inland rivers, that is, these rivers which are flooded continually from heavy rainfall, the consequence would be that large properties of private individuals would have a very large amount of money expended upon them to their very increased benefit, which would be paid out of the public funds. We had a report from Sir Joseph Bazalgette that to remedy that evil—

111. We will have that from Sir Joseph when he comes. You consider, therefore, that there is no sound reason for drawing a distinction between the two classes of liability; one to keep out the tidal water of the Thames, the other to protect the land or houses from the backwater that comes down and does not get into the Thames?—So far as the statute is concerned they stand upon precisely the same grounds altogether.

112. I have now to trouble you upon one or two allegations of the petitions. First of all, there is the Petition of the Corporation of the City of London, and we may also deal at the same time with the Petition of the Commissioners of Sewers of the City of London?—They are practically the same.

113. What do you say as to the averment of the petition?—I say that as far as the City of London is concerned, it really is a petition in favour of the Bill. What they complain of is this, that they shall be called upon, having done all that is necessary within their own area, to pay a contribution for compensation to be given to others who have not fulfilled their public duty; that is the gravamen of their complaint of the Bill?—They say they have got sufficient power of themselves, and I may say from enquiries that I have made in our office, there has been no flooding of the River Thames in the district of the City for years past.

114. The *Chairman*.] What clause of their petition is that?—I am speaking of it generally.

115. Mr. *Philbrick*.] If you look at the Petition of the City of London, you will see that by 0.89.

the 2nd clause they say that they are entrusted with the local management of the City of London, and by the 5th clause they say they have powers vested in them which are amply sufficient to enable them to protect the City from floods and inundations should any such occur from the overflow of the River Thames?—Yes.

116. Then they say that their concurrence has not been solicited, that they object to the Bill, that the provisions interfering with wharves within the City are injurious and unjustifiable, and they object to the Metropolitan Board of Works having any power within the City?—That is one of their main points too.

117. With reference to the main drainage, let me ask you this: the powers of the Metropolitan Board of Works run through the City, do they not?—They do.

118. And also with reference to the Fire Brigade?—That is so as well.

119. And in a matter of this kind, do you think it desirable that there should be uniformity of authority?—There must be one authority to determine the height to which the defences against floods should be raised, and that authority can be none other than the Metropolitan Board of Works.

120. I will not go further into that petition or the Petition of the Commissioners of Sewers. Now as to the next petition, the Petition of the Fulham District Board of Works, that is a long petition, about which I will not trouble you until I come to the 22nd paragraph; what do you say as to that?—The averment of the 22nd paragraph is that the principal Act contains no provisions with respect to the protection of lands from floods. They contend that the word "river" in the original Act does not mean the River Thames. I think that it has been so clearly laid down that it does mean the River Thames, that it is not worth questioning.

121. It was a question decided by the Court of Queen's Bench?—Yes.

122. Now with reference to the next matter, the 23rd paragraph, what do you say?—They refer to their very unsatisfactory position as a poor parish, having four and a-half miles of frontage, but I am afraid their case is very much like others, that those who grumble most have the least ground of complaint. I took the trouble to take out exactly the rates that the different parishes have paid, those who have petitioned against the Bill. I find that in the case of St. Olave's and St. Saviour's, who have petitioned against the Bill, their respective rates amounted to 4 s. 10 d. in the pound for the year 1878; in the case of St. Olave's, 2 s. 2 d. of that was for poor rates, and 2 s. 8 d. for parochial rates, and in the case of St. Saviour's also, 4 s. 10 d. in the whole, 2 s. 6 d. poor rates, and 2 s. 4 d. parochial rates. Then Lambeth, the next parish to them, in rating paid 5 s. in the pound last year, 2 s. 4 d. poor rates, and 2 s. 8 d. parochial rates. Then comes Fulham, the next one, which paid 5 s. 5 d., 2 s. poor rates only, and 3 s. 5 d. parochial rates. Next comes Wandsworth; they paid 5 s. 7 d., paid 2 s. 2 d. poor rates, and 3 s. 4 d. parochial rates. Then comes Limehouse, who petition almost in favour of the Bill; 5 s. 9 d. was their rate, 2 s. 8 d. poor rate, and 3 s. 1 d. parochial rates. Then comes Whitechapel, who have petitioned but do not appear; their rate was 6 s., 3 s. poor rate, and 3 s. parochial rate, and then comes my own district or parish, which is Greenwich, 6 s. 2 d.,

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6 s. 2 d., 3 s. 4 d. poor rate, against 2 s. 10 d. parochial rates, and my district board have asked the Board of Works to take every means they can to get the Bill carried.

123. *Sir Baldwyn Leighton.*] Is that the present amount of rates?—These rates are all for last year in the respective parishes, 1878.

124. *Mr. Philbrick.*] So that the effect of the table appears to be that the parishes which are in favour more or less of the proposals of the Bill, are those which pay the heaviest rates?—It would appear so by that statement.

125. The Fulham Board of Works complain of its poverty, and says it has a large frontage?—Yes; it has a very small poor rate.

126. The next allegation that they make is that “the Bill contains no provisions to compensate your petitioners for any such injury, nor for the cost of any works and maintenance thereof, which, such first stated or principal works may render necessary for the protection, preservation, use and enjoyment of the said highway roads, streets, and sewers.” *Sir Joseph Bazalgette* can go into that, as to the other averments that we did not give them a detailed plan, that I will deal with by the engineer?—We cannot give a detailed plan, that is impossible.

127. The other allegations go into the question of policy, upon which you have already expressed your opinion?—Yes.

128. I see that there is one allegation that they have spent something like 134,000 l. upon, the construction of sewers and paving in their district, exclusive of maintenance; that is paragraph 46?—Yes.

129. In Greenwich, I think, you have a much larger burden, you have the same thing?—Very much larger. We have spent over 200,000 l. in Greenwich upon our sewers, and at least another 100,000 l. in paving works as well. Much more than they have.

130. The next petition that appears is the Petition of the Wandsworth District Board of Works, and in the second paragraph they say that they are the representatives of the important metropolitan district of Wandsworth, and are the local authority for that district, which is true; and they say that they and the ratepayers of the district will be injuriously affected, therefore they are strongly opposed to the Bill?—Yes.

131. How would the ratepayers in that district be affected?—That is a mistaken averment altogether. The Bill does not profess to affect the interest of a single ratepayer in any part of the metropolis, except so far as regards any compensation that may be given within the metropolitan area, but the Bill is simply one to deal with the interests of owners as opposed to the interests of occupiers. The whole principle of the Metropolis Local Management Act is one of owner *versus* occupier. It is the duty of the district boards and vestries throughout the metropolis, who are elected by the ratepayers, and represent the ratepayers, and must be ratepayers themselves, to protect the interests of ratepayers against the owners; their powers are to compel owners to do a number of different things for the benefit of the occupiers of their respective tenements.

132. In paragraph 12 they say, “And as was the case with the Bill of 1877, the powers sought by the Bill have for their basis a system of unfair and unequal taxation;” by the Bill of 1877 you did not intend to alter the incidence, did you?—

No; it was left exactly as it was left by the Legislature in 1855.

133. As to a more purely engineering question, they say, in paragraph 15, “That it is unfair and unjust that your petitioners should be called upon to expend large sums in the protection from floods of the river banks within their district, where the necessity for such protection has arisen largely from the construction of embankments and other works, the expense of constructing which has been defrayed out of rates levied on the whole of the metropolis.” The coal and wine dues were the funds charged for the formation of the Victoria Embankment?—Yes.

134. And the Albert Embankment?—Yes.

135. And those embankments have been constructed out of those special funds?—Clearly so; still it was a metropolitan payment.

136. *Sir Trevor Lawrence.*] Was it levied on the whole metropolis?—It was levied throughout the whole metropolis, as nearly as possible over the police district. Practically speaking, it is indirect taxation, instead of direct taxation, extending over an area larger than the metropolis.

137. *Mr. Philbrick.*] The other matters contained in the petition are questions which had better be answered by the engineer; I will now take the Petition of the Board of Works for the St. Olave's District, which appears here?—They do not appear.

138. St. Saviour's appear?—St. Saviour's use the same words, it is the same petition for the one as the other; if you take the St. Saviour's Petition, it will do as well as St. Olave's.

139. One word as to St. Saviour's; in their petition they say that, “The Bill contains numerous provisions most prejudicially affecting the rights and interests of your petitioners, and the property, rights, and interests of the inhabitants of and residents within your petitioners' district.” Why would they be other than the owners others?—They cannot be, by the words of the Bill, they cannot be any other than the owners of property affected by this Bill, and I am correct in saying that very few of the owners, I think not more than 50 throughout the whole metropolis, have petitioned against the Bill; therefore it appears that the owners are not dissatisfied with the terms of the Bill.

140. Now I will go to the next matter. By paragraph 21 they say: “The works are to be such as the Board may hereafter consider to be ‘immediately necessary.’ And even as regards those works (the character and extent of which are altogether unknown), those who are to pay for them are not to be allowed the privilege of any option, or even remonstrance, in respect of the cost, applicability, sufficiency, or insufficiency of them, or in support of any other objection to which they may, however reasonably, be open?”—It was explained before the last Committee, that the object of the Board would be to exercise every possible consideration for the owners by conference with them, before any works were carried out, to see that their business premises were as little interfered with as possible, so that the necessary works should be conducted with as little interference with their business as possible.

141. And the new clause in the Bill enables them to object if they please, and agree with the Board if possible?—Yes.

142. If the Board takes upon itself, as it proposes

poses here, the liability to pay compensation to any owner who is injuriously affected, do you think that that is a sufficient protection against the exercise of the power to any extent that might be avoided?—There are too many members of the Board who are very anxious to avoid any expenditure that can be helped, and they would be the very last persons to sanction any possible expenditure that can be avoided.

143. You have been for many years upon the Board, and have had powers precisely analogous to these, with reference to main drainage and laying pipes through properties and so forth; has there been any complaint of damage unnecessarily done, or the exercise of the powers arbitrarily or improperly?—None. It is right to say that under the Metropolitan Local Management Act the Metropolitan Board of Works were empowered to go on to any person's land; no plan was required by the Legislature when they passed that Act; no estimates were required; everything was left to the Metropolitan Board of Works as the governing body of the metropolis, to do that which they thought best for the interests of the metropolis; and as they are the only central body governing the metropolis, I think that confidence ought to be placed in a representative body like the Metropolitan Board of Works. It is because they are a representative body that confidence ought to be placed in them.

144. Taking the 26th and 27th averments of the St. Saviour's petition, they say, "Your petitioners object to all the provisions of the Bill which relate to the character and to the determination of the works to be constructed, and to the way in which, and the authorities and persons by whom or at whose expense, the works are to be constructed, and to the mode in which that expense is to be met. Your petitioners also object to the provisions of the Bill, as to the maintenance of lands (Clauses 17, 18, and 19), as imposing a further and unfair liability and expenditure upon them." Are you aware whether this Board, or any of the district boards that have done nothing, have ever taken any steps to compel any of the owners along the river to perform that duty, or to perform the duty which the 69th section casts upon them?—I do not believe that any one of them has made the slightest attempt to carry out the works; they have sheltered themselves under the belief that they had not power to enter on the different lands so as to carry out the necessary works. They have never applied to the High Court for a mandamus to compel the parties to allow them to do the works, or do them themselves. Nothing has been done by any one of those who are the defaulting boards.

145. I now come to the petition of a body that is represented here, the Conservators of the Thames. Are you aware of any works proposed to be done on the Thames itself which will at all interfere with the duties or rights of the Conservators?—It would be almost a matter of impossibility that any works could be done. I do not speak as an engineer, but the whole object of the Bill is simply to go upon the line of the present wharf walls and buildings, and raise them sufficiently to prevent the influx of the river.

146. I believe the Conservators have an extremely able engineer, who knows the river, Mr. Leach?—Yes.

147. As far as the Board is concerned, there is no intention of interfering in any way with the Conservators?—No; there are the usual clauses

inserted in the Bill, which are always inserted for the benefit of the Conservators.

148. We propose to insert in the Bill the same section, the saving clause is the 29th section of the Metropolitan Local Management Act, 21 & 22 Vict. c. 104, giving power to the Board to exercise drainage works on the shores of the Thames?—Yes.

149. Section 2 says, "The Metropolitan Board of Works for the purposes of this Act may construct any work through, along, over or under the bed and soil and banks and shores of the River Thames." Then Section 27 is, "No works upon the bed or shores of the said River Thames, below high-water mark, which may interfere with the navigation of that river shall at any time be commenced or executed under the provisions of this Act, without the same having been previously approved of by the Lord High Admiral, or the Commissioners for executing the office of Lord High Admiral, such approval to be from time to time specified in writing under the hand of the Secretary of the Admiralty;" then Section 28 is, "In order to preserve the navigation of the River Thames, the plans of any work to be constructed under the authority of this Act upon the banks, bed, or shore of the River Thames, which may interfere with the free navigation of the said river, shall be approved of by the Conservators of the River Thames in writing, signed by their secretary before such works are commenced, certifying that the works, according to such plans, will not interfere with the navigation of the River Thames;" and then comes the saving clause, Section 29. "Nothing in this Act contained shall extend or be construed to extend to prejudice or derogate from the rights of the Conservators of the River Thames, or to prohibit, defeat, alter, or diminish any power, authority, or jurisdiction, which at the time of the passing of this Act the said Conservators did or might lawfully claim, use, or exercise, so far as such rights, powers, authority, or jurisdiction, may be exercised for preserving the free navigation of the River Thames." You propose in the present Bill identically the same words?—I do not think they are the same.

150. Yes, they are the same.—The saving clause is Clause 32 in the Bill.

151. I gather from you that the powers now sought are analogous to those in the Main Drainage?—No doubt they are intended to be so.

152. I will call attention next to the petition of the Millwall Dock Company. They say in Clause 14, that they object to the provisions with reference to compensation, and headed "financial," and they are based on an unsound principle, and opposed to the Committee of 1877, and they are generally unfair and unjust, and especially so as regards your petitioners, and that they should not be rated at all for the purposes of the Bill, and that they pay one-eighteenth of the rates of the entire parish. Except as regards compensation, they will pay nothing?—They have already done all the works which the Board could possibly require of them; they have raised their walls above the height the engineer of the Board considers necessary.

153. So that they will not be in any way touched or interfered with?—No. If it is necessary as one of the owners of property in the metropolis, if Parliament should determine that any portion of the compensation should be thrown over the whole of the metropolis, they must bear their share of the burden.

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154. As ratepayers?—Yes.

155. I will not trouble you with regard to the St. Katharine and West India Docks Petitions; the same answers apply?—Yes.

156. The only other petition which I need call attention to is the petition of owners and occupiers in Fulham, who appear by agent and not by counsel; I will not trouble about them at the present moment, I will go to the owners of legal quays, sufferance wharves, and other lands. They state that they carry on business, and that the provisions of the Bill are unjust, and would enable the Board to put the petitioners to great cost without any corresponding public benefit; the modes by which the Board seek to prevent the overflowing of the Thames would be ineffectual, and would not accomplish the objects which the Board have in view, that is an engineer's question. I will not ask you upon. Then they say that, probably, the raising of the level of the quays might necessitate the re-building of the whole of the river front; that is an engineering question, but as a practical question, do you think it would be so?—They would not have to pay a shilling if they have their defence walls high enough already. These owners of sufferance wharves have millions worth of property in their wharves. I should very much doubt if many of those gentlemen who have petitioned have not their wharf walls sufficiently high to protect their property, therefore, it is an averment without any meaning from them.

157. Then, again, they say in paragraph 10, that the works will be of such magnitude that they will be very costly. I believe the total cost of the estimated works is 60,000 £.?—It is very slight indeed.

158. Now there is this peculiar paragraph: "And further when it is taken into consideration that, in the opinion of some authorities, the recent inundations with which the metropolis was visited were aggravated by the Victoria and Albert Embankments, and that similar visitations must be expected to recur from time to time, it seems particularly fitting that the protection of the metropolis therefrom should be undertaken by the Board." Do you agree with that?—It has been contended over and over again, by more able men than myself, that neither of the embankments produce the floods, or that they cause the floods; and that can be very safely shown, because you have had much higher tides at Hastings and Falmouth, and down the whole coast of the Channel, far higher than they had been before, and when you have the high tides there you have the high tides in the river; how the embankments can have caused it I do not understand; it is a matter of impossibility to understand. We never have a high tide in the metropolis unless it has first of all been down in the Channel or the North Sea.

159. There are other petitions appeared upon, but they have substantially the same allegations, therefore I will not trouble you by going through them?—That is so.

Cross-examined by Sir Edmund Beckett.

160. I will first ask you very shortly about the operation of the Commissioners of Sewers; you are equally good friends with the Corporation, are you not?—Yes, and old friends.

161. I take it from the way in which you adverted to their petition that you do not dispute their allegation, that they have power to have these works done, or to do them within the City?

—I agree with that; no doubt they have full power to do it.

162. You have furnished all public bodies, vestries and so on, within the City of London, with a list of the works that are likely to be required, have you not?—Only those interested in these petitions. I think you have two yourself, but I do not think they have gone to other persons except the petitioners.

163. Do you know sufficient to answer, without looking at the list, of the condition of things in our schedule, that that has been taken out of it (*handing a Paper to the Witness*)?—I would rather not answer any questions on that; I think they would be more suitable for the engineer.

164. Inasmuch as you admit that we have the power ourselves to do these things in the City, I do not see from anything you have stated yet, why it is necessary you should come in and order them besides?—What I stated was that it is absolutely necessary that some authority should state up to what height it is necessary to carry the defences against high tides, and therefore that one authority can be none other than the Metropolitan Board.

165. I do not quite see that; the high tide will injure the man immediately upon the banks of the river, and those people who are behind him, who are below the flood level?—It may be so.

166. It must be so?—The contention is simply this; that if there is to be one authority to determine the height at which it is—

167. You have not got to that point. If there is I might agree with you, but we have not got one yet. Will you point out to the Committee what reason there is for having another authority substituted for the City Commissioners of Sewers, which was carefully kept alive in 1848, and which has power to do all this?—It is possible that the City Commissioners of Sewers or their engineer might not come to the same heights, or adopt the same heights as the engineer of the Metropolitan Board of Works.

168. Supposing they do not, what then?—Then there might possibly be some floods for want of action or want of agreement on the part of the City of London.

169. I do not follow that?—If they disagreed in their views, and one thought it should be 4 feet 6, and the other 5 feet high, there might be a flood which would arise from the two authorities not being in accord with one another.

170. Who would be the first people to suffer from that?—Those who neglected to make their wharves a proper height.

171. If you fancy having a wall higher than some given height, outside the City, and we are content with one at a smaller height in the City, we must suffer?—The water must come to the same height inside and outside the City, therefore if it is right to have a wall outside the City 5 feet high, it would be wrong to have a wall inside the City 4 feet 6 inches high.

172. Then, if that is so, why are you to decide what is to be the height, rather than the City?—Because the Metropolitan Board of Works is the central authority for the whole of the metropolis.

173. Not yet?—For main drainage purposes, and this is part of main drainage purposes.

174. Main drainage meant in 1855, and the subsequent years, getting rid of the sewage of London?—The same clause in the same statute which requires these sewers to be made for the drainage

drainage of the metropolis, also requires the local authorities, the City of London amongst them, to prevent these floods; it is the same clause in the same statute.

175. It requires the local authorities to prevent the floods; we are the local authorities, and you say we have power to prevent the floods?—If you exercise your powers.

176. If we do not exercise them, who shall be the primary people to suffer?—Inasmuch as there are local authorities.

177. Will you answer my question?—If we do not exercise those powers, who shall be the people primarily to suffer?—Certainly, we shall.

178. The difficulty I am under is this: I wanted to put an engineering question to you in reference to this list, and you decline, otherwise I should ask you whether we have any works under your prescribed height?—I cannot answer that question.

179. According to your own schedule, we have not?—I stated in my evidence that I had made inquiry, and had ascertained from our engineer's department that no floods have taken place in the area of the City of London for some time past.

180. Have you not ascertained when you made those inquiries from your engineer that we have actually no works in the City that are not, I may say, a foot and more above your prescribed height?—I have no knowledge of that.

181. You mentioned about the Fire Brigade as being a joint establishment; am I right in my recollection that we agreed to the joint establishment of the Fire Brigade?—No, it was an Act of the Government of the day, who transferred the then Fire Brigade to the Metropolitan Board of Works.

182. It was not an Act brought in by you to compel us to do so?—It was brought in by Her Majesty's Government at the time Sir George Grey was Home Secretary; he took charge of the Bill.

183. Did we make any objection to it?—I am not aware that you did.

Cross-examined by Mr. Richards.

184. I propose to ask you a few questions on behalf of the Conservancy Board; but, first of all, allow me to ask a question which arises upon the amendment of your Bill. When I turn to Clause 13 A of your Bill, I find there certain compulsory powers in the amendment?—Yes.

185. Am I right in thinking that, apart from that amended clause, there are no compulsory powers in the Bill?—I do not know that I can answer whether there were no compulsory powers in the Bill. I think I had better answer that Clause 13 A was introduced because whatever was in the Bill before was insufficient, and, therefore, it was desired to put in Clause 13 A.

186. I want to call attention to Clause 13 A. The compulsory powers, therefore, in Clause 13 A are introduced by that rider for the first time?—Yes.

187. I would ask you this. Do your Parliamentary notices contain any reference to these compulsory powers?—I am sorry I cannot answer that question; I have not examined to see.

188. Will you take my word for it, they do not?—No, I would rather not. I would rather refer to our own legal adviser. I am not prepared to say that they do.

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189. It is rather unusual to introduce compulsory powers in an amendment which you had not mentioned in your notices, is it not?—It may be considered so. I am not a Parliamentary counsel, and I cannot advise you upon that point.

190. I must raise my point somewhat before the Committee by asking you questions, even at the risk of your not being able to answer them fully. You are not a solicitor?—No, I am not.

191. Let me call attention to the somewhat remarkable amendment as to the meaning of the River Thames in your amended Bill, in the Interpretation Clause, in the margin: "The River Thames is to include the flux and reflux of the confluence of the Thames." That is to say, you go up to the confluence of the Thames as far as the tide flows within the limits of the Act. Accordingly, that will extend the area over which you can exercise your compulsory powers enormously, will it not?—No; very slightly indeed.

192. It will extend as high as the point of flux and reflux of the confluence?—The principal rivers affected by the clause are the Wandle and the Ravensbourne.

193. Are you prepared to say there are no others?—I do not think there are any other tidal rivers in the metropolis, except the River Lea, which is the boundary of the metropolis, but that is under a separate conservancy.

194. Can you give us any notion of what square mileage will be included in that amendment?—I doubt whether it would be one square mile.

195. Do you mean that the flux and reflux of the tide does not go up more than a mile in the Wandle?—I do not know the Wandle so much as I know the Ravensbourne; if you know anything of Deptford, there is the Deptford Bridge, with a tidal mill just a few yards before you come to Deptford Bridge, and no tide can rise above it; there are gates across the river to prevent it.

196. There is the Quaggy?—The Quaggy falls into the Ravensbourne far above; no tidal water goes into the Quaggy.

197. But it does into the Wandle?—Yes, but only up to the first or second mill.

198. You do not know what the area included may be?—No.

199. Whatever that may be, there is no allusion to it in your notices?—I do not know that, but I understand that the word "Thames," as generally understood, covers also in our own Acts of Parliament all tributaries, so far as the tide fluxes and refluxes.

200. We will shortly come to that; our Acts go to the extent of 10 miles, are you aware of that?—Not up the river.

201. Ten miles from the Thames?—Up the tributaries?

202. Yes, and 10 miles, as the crow flies, from the main river?—I was not aware of that at all.

203. Mr. Philbrick.] The powers you talk of, 10 miles, are only to prevent pollution; it is in reference to sewage?—I am afraid they have never exercised it.

204. Mr. Richards.] We have not the benefit of having you upon our Board yet, though you are so anxious to come. Perhaps you will kindly assist me in describing the nature of the Conservators. They are an incorporated body, I believe?—I think so.

205. Incorporated by the Act of 1857?—Yes.

206. Prior to 1857, you are aware that there had

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had been a good deal of litigation between the Crown on one side, and the City of London on the other, as to the ownership of the soil and the bed of the River Thames?—Yes.

207-8. (To the *Witness*.) Are you aware that by the 50th section of the Conservancy Act the estate of the Corporation of London and the estate of the Crown, which had been in dispute between those parties up to that time was absolutely transferred to the Board of Conservators?—I always understood that the right to the bed of the river above low-water mark was jointly held by the Crown and by the Corporation. I know that fact and every member of the Metropolitan Board knows it pretty well, because when they proceeded to construct the Victoria Embankment they had to pay 17,500 l. for all the mud at the side of the river to the Crown before they were allowed to put a spade into it, and after they banked it up the Crown took the whole of the property, and there was compensation given to the owners of property abutting upon the river; we had to pay all the compensation after they had all the land which they got from the river handed over to them.

209. You paid that to the Crown?—Yes, we paid that to the Crown.

210. The money was paid, and that was an admission of the title of the Crown?—Yes, we should not have paid it unless we were obliged.

211. Did you pay money to the Conservators?—No.

212. Will you allow me to call your attention to the 50th section, which transferred all the estate, right, title, and interest in the bed, soil, and shores of the River Thames to the Board of Conservators?—Yes.

213. Are you aware that under the Thames Conservancy Act the owners of land must get the consent of the Conservators to embank?—I was not aware of that. I understood that they had to get the consent of the Conservators to carry out any projection beyond the line of their frontage.

214. Are you aware that no living soul can drive a pile into the bed of the Thames without their consent?—I am aware of that, but that is when it is in advance of their frontage.

215. With regard to your works, you have favoured us with no plans, at all events?—I understood when you were speaking of it the other day that none had been provided because you claimed them for the whole area of the Thames within the area of the Metropolitan Board of Works.

216. You say your plans do not extend beyond the existing banks of the river?—They will not touch anything beyond the existing buildings.

217. Are you prepared to say whether they do or not, and to be bound by it?—

218. Mr. *Richards*.] You do not answer the question?—I believe, most sincerely, that they are quite within the limits of the present frontages.

219. Are you aware that the Conservators have the right to take tolls under certain circumstances from steamboats using piers, and so on?—Yes.

220. Are you aware that they can, for a money consideration, either in a lump sum or in the shape of rent, give permission for the construction of quays, and the creation of jetties, and so on?—Quite so.

221. Are you aware that they are bound to

keep an accurate account of all monies they receive, and pay one-third of it over to the Crown?—I know they have to keep a proper account. I do not know that they have to pay one-third to the Crown, though I thought it was a greater proportion; I thought it was half.

222. When I mentioned piers, if you will look at Section 104, you will see that the Conservators are to pay to Her Majesty one-third of the monies; therefore, the Crown has a distinct interest in the rents and tolls of the Conservators?—Certainly.

223. The Act of 1857 was succeeded by the Act of 1864, was not it?—I take it as such; I do not know.

224. And again by Act of 1866?—Yes.

225. Let me call your attention to the preamble of the Act of 1866: "And whereas it is expedient, with a view both to economy and to efficiency, that the whole of the navigable part of the Thames be placed under one management, and that accordingly the authority of the Upper Navigation Commissioners be discontinued, and the conservancy of the Thames from Staines to Cricklade be vested in the Conservators with the powers in this Act expressed or referred to, provision being made for the election of Conservators as representatives of the persons qualified to act as commissioners under the Upper Navigation Acts, and also for the appointment of a Conservator by the Board of Trade in addition to the one now appointed by them;" therefore, by that Act the upper part of the Thames, from Cricklade to Staines, is transferred to the Thames Conservancy, and gives them, therefore, a control over the Thames from Cricklade, in Gloucestershire, down to Yantlett Creek, at the mouth of the Thames?—I am perfectly prepared to admit that.

226. That being the case, they being owners of the bed, soil, and shores of the Thames, I understood you to say that it is not your intention, at any rate, to interfere with that ownership, or transfer any bed, soil, or shores of the Thames?—I believe not now.

227. Let me turn your attention to Clause 5 in the Bill: "From and after the passing of this Act, the execution of all flood works shall be subject to and in accordance with such plans as the Board may from time to time cause to be prepared in pursuance of this Act, or with such plans or specifications as the Board may from time to time approve, and such works shall be carried on and completed to the satisfaction of the Board, and save as aforesaid no such works shall be commenced, carried on, or completed;" I do not see any limitation there, but I suppose you say that is met by saving Clauses 15 and 22?—It is a necessary clause that if the Metropolitan Board of Works are to do these works for the prevention of floods, they must have the power referred to in that section.

228. Without reference to what ownership they interfere with?—Clearly so.

229. Now look at Clause 14; I may take every clause, from 5 to 12, as being objectionable; now I turn to Clause 14: "For the purpose of executing any works under the authority of this Act, the Board, the Commissioners of Sewers of the City of London, the vestry of any parish, the Board of Works for any district, and any owner of premises liable to execute flood works, may, subject to the provisions of this Act, construct any such works through, along, over,

or

or under the bed and soil, and banks and shores of the River Thames"?—Yes.

230. "The bed and soil, and shores of the River Thames" being the property of the Thames Conservancy?—Those words are simply the same words as are in the Metropolitan Local Management Act, and therefore they are used here to be in conformity with that Act, and most probably there will not be any occasion upon which they will be exercised; still they are put in because they are the words of the Metropolitan Local Management Act.

231. Then Clause 14 is an addition to Clause 13d, the amended clause, which gives power of taking the lands compulsorily?—Yes, and giving compensation also.

232. Reading Clause 14, it appears to me to give you power to take the Conservators' lands?—It gives us no more power than that which is necessary, and I do not suppose the Conservators of the Thames are anxious, or would like themselves represented as being anxious to maintain all their rights and privileges, and to let the whole of the metropolis be flooded. I should have imagined that they would be ready to sacrifice a portion of their rights, if necessary, rather than that floods should take place.

233. Then it is an invasion of their rights?—No, I do not say so; but I think the words are necessary to be put in the Bill in order that the Metropolitan Board of Works, in carrying out the works, may have full power, and may not be stopped by the Conservators of the Thames.

234. The *Chairman*.] You say they are the same provisions as are in the Metropolitan Main Drainage Act?—Yes.

235. Just one other question: I want to know what section you are alluding to?—The 21 & 22 Vict. c. 104, s. 2, "The Metropolitan Board of Works, for the purposes of this Act, may construct any work through, along, over, or under the bed and soil and banks and shores of the River Thames, making compensation to all persons having any interest in wharves, jetties, or other property damaged by such works, as provided by the said Act of the 18th and 19th years of Her Majesty, in respect of property injured, under the powers of such Act."

236. What is the date of that?—Eighteen hundred and fifty-eight.

Mr. *Cripps*.] That is the same Act in which again those same protective powers for the Thames Conservancy are inserted as are inserted in this Act.

237. The *Chairman*.] The date of that Act is 1858?—Yes.

238. Mr. *Richards*.] Are you aware that the Thames Conservancy first came into existence in 1857, and may be said not to have got thoroughly to work for a year and a-half or two years?—I cannot say.

239. Now I challenge you to show any single Act in which that same clause appears; that was admitted in 1850 *per incuriam*?—

The *Chairman*.] You must bring evidence to prove that.

Mr. *Richards*.] They are their own Acts?—I am not aware that there has been any Act introduced or passed by Parliament, relating to the River Thames, between that time and the present.

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240. There are the Chelsea Embankments, and all the Embankment Acts?—Yes.

241. And not one of those contains the clause in the words you have quoted; are you aware of that, I ask you?

Mr. *Philbrick*.] The Embankment Act is an Act of the Government.

242. Mr. *Richards*.] That is a mere technicality?—Excuse me, it was a Bill brought in by the Government. The intention of the Government was to enable a body outside the Metropolitan Board to construct the Thames Embankment, and it was, whilst the Bill was in the House, transferred to the Metropolitan Board.

Chairman.] If the learned counsel asks you as to Acts with which you are not acquainted, it is not necessary for you to answer.

243. Mr. *Richards*.] Let me call attention to the 65th Section of the Thames Embankment Act, which my learned friend says was a public Act, but was still a work conducted under your superintendence. "Except as herein expressly provided, nothing in this Act shall extend, or be construed to extend to prejudice or derogate from the rights of the Conservators of the River Thames, or to defeat, alter or diminish any power, authority or jurisdiction which at the time of the passing of this Act, the said Conservators had, or might lawfully claim, use or exercise." It contained none of the limitations which appear in the Act of 21st and 22nd Victoria?—That is practically the same as Section 32 in this Bill.

244. Now I will call attention to Clause 15 of the Bill. In order to preserve the navigation of the River Thames, the plan of any flood works to be constructed under the authority of this Act, through, along, over, or under the bed or soil or banks or shores of the River Thames which may interfere with the free navigation of the said river, shall be approved by the Conservators of the River Thames in writing, signed by their secretary before such works are commenced. Therefore, the question is here, did the works, or do the works, not interfere with the navigation of the Thames; is not that so?—I should say they cannot possibly interfere, and if they did interfere I assume that the Conservators of the Thames have the right of objecting to such works, and must certify them, would suffice for every possible objection on the part of the Conservators.

245. Do not these words confine the right of the approval of the Commissioners to works which interfere with the navigation of the River Thames?—I do not think so, and I do not believe there will be any attempt made to vary the frontage of the river defences.

246. That is not the question; do not those words confine the right of interference and the right of approval of the Conservators to cases in which the works interfere with the navigation?—Yes; it is "the free navigation of the said river shall be approved by the Conservators of the River Thames in writing, signed by their secretary, before such works are commenced."

247. Then supposing the flood works to be erected in any way on the soil, shore and bed of the River Thames, which did not interfere with the navigation, the Conservators would have no power of control at all though the property is theirs?

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theirs?—If they were carried beyond the existing frontage line, they would have control; if they were not carried beyond the frontage line, then they would not.

248. Supposing it is shown that the works in question do not interfere with the navigation of the river, is not that a test by which under that clause the Conservators are or not to have the right to interfere?—It is so by that clause; then the 32nd clause preserves all the rights.

249. Now we will turn to Clause 32, which is called the Saving Clause, "Nothing in this Act contained shall extend or be construed to extend, prejudice, or derogate from the rights of the Conservators of the River Thames, or to prohibit, defeat, alter or diminish any power, authority, or jurisdiction which at the time of the passing of this Act the said Conservators did or might lawfully claim, use, or exercise, so far as such rights, power, authority, or jurisdiction may be exercised for the preserving of the free navigation of the River Thames." Now, I ask again, and I am sure I shall have a candid answer from you, do not those words, so far as they save the rights of the Conservators, confine those rights to the rights, powers, and jurisdiction which may be exercised for the preservation of the navigation of the Thames?—Certainly they do.

250. Now I will put it as a test; not that that alone will satisfy me; are you prepared to strike out the words at the end of the clause beginning with the words "So far" down to the end?—I am not.

Mr. *Cripps.*] No, we are not.

Witness.] I may say this in reply, that if there are any words which will more preserve the rights of Conservators, and at the same time enable the Metropolitan Board of Works to carry out the necessary works for the prevention of floods, I am certain that the Metropolitan Board of Works would be prepared to consent to the introduction of any such words, but it would be foolish for the Metropolitan Board of Works to agree to words restricting their powers, and preventing them doing what their Bill enables them to do.

251. Mr. *Richards.*] It is a distinct intrusion upon the present powers of the Conservators?—I do not agree to that.

252. You are not represented upon the Conservancy Board, are you?—No, we have asked to be so represented, and never have been able to be so.

253. And that has been a sore point, has it?—Not with myself, at all events.

254. I thought you told me in 1877 that you ought to be there, and hoped that the time would come when you would be there?—I did not say so. We have a member in the body of the Conservators who represents Woolwich, but he does not represent us.

255. Is not it the case that in every Act that you have passed, there has been a clause calling upon you to submit plans to the Conservancy before you could do any works?—Where we have had works for which we could produce plans, such as the embankments, and matters of that kind, plans were prepared before we applied to Parliament, and were submitted to the Conservators of the Thames.

256. May I ask this; I am unable to discover it for myself: what is the real difference between

this Bill and the Bill of 1877?—The difference between the two Bills is mainly this, that whereas in the Bill of 1877 the purport was to supplement the Metropolitan Local Management Act, that is the 69th and 70th sections, and give the local board power of entry and power to compel the owners of property at any time to complete their works, and under the 159th section to charge the costs so incurred, according to the area benefited, this Bill is drawn upon the lines of requiring the owners of property to do the work themselves, or if they fail to do it according to the requirements of the Metropolitan Board, to enable the Metropolitan Board to do it and charge them with the expense.

257. By the 1877 Bill, the local board were to do the work and to charge it upon the local rate?—By the Act of 1855 the local boards were to do it.

258. And so by the Act of 1877?—The Act of 1877 merely gave them increased power to do the work. The 1877 Bill went back upon that of 1855, the first statute.

259. Then, as I understand, the compensation clause in this Bill is quite new, is it not?—No, it is not new. The 59th section of the Act of 1855 gives compensation to those entitled to compensation.

260. Compensation for damage done to premises by works?—I will read it if you wish.

261. It was not in the Act of 1877?—Yes, it was. This clause was made part of the Bill.

262. The Bill of 1877 said nothing about compensation?—No.

263. *Chairman.*] It included the Compensation Clause under the Act of 1855?—Yes, it went back to the general Act. I have got the Bill here.

Mr. *Philbrick.*] Clause 11 of the 1877 Bill is, if they proceed to execute the works where the vestry did it, then the vestry would have to make compensation under the 69th clause.

Chairman.] It is making compensation for any damage done thereto according to the original Act.

Mr. *Pembroke Stephens.*] It was not the vestry, but was limited to the Metropolitan Board itself.

264. Mr. *Richards.*] It was not thrown upon the general rate?—No; the 159th section was combined with this section, enabling the district board and vestries to charge their expenses according to the area of benefit.

265. Though there was compensation, that compensation was not thrown upon the general rate in the way you propose now?—No; it is not thrown now upon the general rate, it is thrown upon the sewers rate, which is a different rate to the general rate.

266. It is thrown upon a rate applicable to the whole area of the metropolis?—Yes.

267. Nor do I understand that the Committee of 1867 said anything whatever about that compensation?—I do not think they in their report said anything about compensation.

268. But they did recommend that the cost of everything should be thrown upon the general rate?—I do not think they used the words "general rate"; they merely said it should be thrown upon the metropolis.

269. To show your deference to the opinion of that Committee, you have omitted what they recommend

recommend you to put in, and put in what they never recommended at all?—I have stated the reasons why the Metropolitan Board of Works did not act so, and it is not necessary to state them again; they consider it unjust and inequitable to introduce any Bill on the lines of the recommendation of that Committee.

270. That is, they suggested to the House of Commons that they should defer to the Metropolitan Board, rather than the Metropolitan Board should defer to the House of Commons?—I do not say so.

271. In 1877, was not there a Committee with reference to the Thames Conservancy Act, to inquire into what amendments, if any, were required to deal more effectively with the injuries inflicted by the floods; a Committee of the House of Commons?—I do not remember one. I cannot answer that question.

272. You never read the Report?—No; I never read it.

273. There is an Act of the 25 & 26 Vict. c. 93, that is one for embanking the north side of the River Thames from Westminster Bridge to Waterloo, and making new streets. I will call attention to Section 19, "The stairs, hardes, quays, wharves, barge beds, recesses, approaches, piers, landing-places, and temporary works by this Act authorised, shall be made according to the plans and elevations to be first approved by and deposited at the office of the Conservators?"—Yes.

274. That is a tolerably sweeping clause?—Yes, and there was reason for it, because you had the use, as Conservators, of those quays, and you had the right to use them, and take money upon those quays for the use of them.

275. Did not you submit copies of plans of all your embankments to the Conservators?—We did so.

Mr. Philbrick.] No, only of these plans.

276. *Mr. Richards.*] I am speaking of these plans?—Only of the stairs.

277. Have you not had to submit plans of the various works under other Acts to the Conservators?—Only those which touch the river, such as the Embankment; if they at all interfered with the rights of the Conservators we had to submit them, not as plans, but merely as they affected the rights of the Conservators.

278. At all events, I understand you that however imperfect these clauses may be, your intention is in no way to interfere with any rights of property which the Conservators possess?—No; the object of the Board of Works is simply and effectually to stop floods from the high tides, and not interfere with the Conservators' rights more than it is impossible to avoid.

279. You wish to interfere with the Conservators as much as is necessary to do what you want to do?—If the learned counsel likes to represent his body—

280. I want an answer.

Chairman.] You have had your answer, I think.

Sir Baldwin Leighton.] What is the contention of the Conservators.

Mr. Richards.] We contend that we are the owners of the bed and soil and shores of the River Thames. We say that this Bill is vague in the plans that are actually to be carried out under it, but that the lan-

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guage is quite sufficient to enable not only the Metropolitan Board of Works, not only the district boards, but even owners to invade our estate, namely, the bed and soil and shores of the River Thames; and we say that the two so-called saving clauses are perfectly illusory, and confine our rights to the navigation of the River Thames, treating us thereby as if we were Navigation Commissioners and not Conservators.

Cross-examined by *Mr. Collins.*

281. You were examined before the Committee of 1877, were not you?—I was so.

282. I may take it that you have formed a very strong opinion upon the merits of the Bill?—Yes, I voted in favour of its amendment at the Board.

283. You had a very strong opinion?—I had a very strong opinion of the justice and equity of the Bill we presented before the Committee in 1877.

284. And on the 13th of June, after the Committee's Report, at a meeting of the Metropolitan Board of Works, was there an amendment proposed, "That the Board do assent to the terms of the resolution and of Mr. Grant Duff's Committee, and that the Prevention of Flood Bill be referred to the Parliamentary Committee"?—

Mr. Philbrick.] Do you put that in? I say that you cannot ask your question without putting it in before the Committee.

Chairman.] I do not understand this to be the question before the Committee, but whether there had been such a resolution proposed at the meeting of the Board of Works.

Mr. Collins.] Was there an amendment that the Board do consent to the terms of the resolution of Mr. Grant Duff's Committee, and that the Prevention of Floods Bill be referred to the Parliamentary Committee to make the necessary alterations, and that the Bill be proceeded with?

Mr. Philbrick.] My learned friend must put it in now. My learned friend may ask whether an amendment was proposed, but the moment he goes into the terms of what it is, that is written matter; the minutes of the Board have been kept in writing.

285. *Mr. Collins.*] You were present. I ask whether in your hearing that amendment was not proposed?—An amendment to that effect was moved.

286. Did you oppose it?—I opposed it.

287. And did you say that it appeared to your mind most extraordinary and inconceivable that in the Year of Grace 1877 a Committee of the House of Commons should recommend the expenditure of funds that belonged to the whole metropolis for the benefit of a few private properties; and still more remarkable was the proposal that the owners of those properties should actually be compensated for the benefits conferred upon them; and did you say that you considered the honour of the Board was at stake in consenting to entertain for a moment such an idea?—

Chairman.] I do not say that it is not within your power to ask the question; but, with all possible respect to this witness, I think the exact expressions which he used

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in reference to any speech he made in the Metropolitan Board of Works do not much affect the case.

Mr. Collins.] I bow to the suggestion; but I wish to show that the witness has taken a very strong view in regard to the case.

Chairman.] We can quite see that.

288. Mr. Collins.] In the Metropolitan Board of Works, some improvements are decided to be local and some metropolitan improvements?—Yes, they are.

289. Who decides that?—The Board.

290. The Board or a committee?—It is generally referred to a committee of the whole Board. They bring up a report to the Board, and the Board consider the report of the committee and decide.

291. Do you agree with what my learned friend said yesterday in opening the Bill, that this work must be done for the benefit of the metropolis?—I do not know that he made use of those words.

292. I can show that he did; he said, "The answer to that is, that the work must be done for the benefit of the metropolis to prevent these floods." Do you agree with that?—I agree to this, that portions of the metropolis will be benefited by the prevention of these floods.

293. You do not agree with what I put to you?—I do not.

294. "But we, the Metropolitan Board of Works, are here upon works which affect the whole of the metropolis." You do not agree with that?—Certainly not the whole of the metropolis.

295. Will you give a definition of what you call a metropolitan and what a local improvement?—A metropolitan improvement is clearly that which the public have the user of; a local improvement is that which only a few persons, and those in the locality, have the user of; but a private improvement is that which the public have no user of, such as that effected by this particular Bill.

296. Take the Mall at Hammersmith; what do you think of that?—That is a local one, and not a metropolitan one.

297. Surely not; it is free to all the inhabitants of the metropolis?—Yes.

298. And I suppose it is for the benefit of all of the inhabitants of the metropolis that the Mall should be kept in proper order, and not be covered with water; do you know the place I mean?—Perfectly well; I may answer the question by saying that the Board has determined that even the widening of Newgate-street is a local improvement, and not a metropolitan improvement; and, *pari passu*, dealing with the Mall must be a local improvement too.

299. That is your reason for it?—That is one of the reasons.

300. Is it not the habit of the Board, in a great number of instances, such as widening bye-streets or back streets, to give half the cost of widening those streets?—Yes; in Newgate-street we contributed half the cost.

301. Do you know Wapping Wall Improvement?—Yes.

302. The amount required for the improvement in Wapping was 5,633 £, was it not?—The Wapping Improvement, under the last Improvement Act, was much more than that.

303. I speak of 1874; not under the Act at all?—It was one moiety.

304. You contributed 2,816 £ 10 s.?—Yes.

305. And did you allow the other moiety to be made repayable in 55 years?—Yes, I have no doubt we did; I do not remember the particular circumstances.

306. Now take Limehouse, High-street, Wapping, for the widening of which 3,800 £. was required?—Yes.

307. There you contributed one-half, and allowed a moiety to be spread over 54 years?—Yes; there are hundreds of such cases.

308. St. George's-in-the-East and High-street, did you contribute 1,200 £. as a gift?—I do not know the amount; I take it that it is so.

309. The Canal Bridge and the Gloucester-gate Bridge, 14,000 £., there you contributed one-half?—Yes.

310. That being so, you offer no proposition to contribute anything to keeping the Mall at Hammersmith in order, do you?—What we do in this Bill is to deal with the whole of the question of the river frontages, and we put them into one category; and, inasmuch as the whole of these river frontages are, with a few exceptions, private property, we put them into one category of private property, and say that the public money must not be used for the improvement of private property.

311. You make a distinction between river frontages or any road running parallel with the river?—We make the distinction, if the public have not the use or right of entering upon private property, that public money should not be used for it.

312. I am talking of the public road at Hammersmith?—That is a very small portion of a large matter; it is from Plumstead at one end to Putney at the other.

313. Why do you make a different rule as to that public street, than you do as to other public streets?—This Bill cannot deal with exceptional cases.

314. You must leave the Committee to deal with that?—We deal with the whole of the river frontages in one category.

315. That is your only reason for not contributing anything for the repair of the Mall; is that so?—That must be my answer to the question at the present moment.

316. I may take it that to a number of small bye-streets at the east end of London and other places, the Board contributed half for the purposes of widening and making more convenient those streets?—Yes; we feel at the Board that it is beneficial to the metropolis generally that we should contribute that half; it facilitates improvements throughout the whole metropolis.

317. You have been asked about some resolutions in reference to Limehouse; did you hear this read to the Board?—

318. Chairman.] I do not know whether you will be able to tell us, if not, perhaps somebody will be able to tell us, the whole length of the public road along the frontage of the river?—There are very few indeed; there is only the Mall at Hammersmith; there are the public ways on the Embankments and carriageways; Bankside is a public way by the banks of the River Thames; at Greenwich we have a public way at the top of the embankment.

319. Is that public way for driving?—No.

320. It would be desirable that we should have

have before us in some way or another, the length of public road that lies along the embankment; I throw that out in order that the engineer may give it us?—It shall be produced.

321. Mr. *Collins*.] There are steps also coming down to the river from the towing-paths, are there not?—To the Mall, that is so.

322. Do not you know that in the parish of Fulham there is a very long earthen mound with a public footpath at the top?—Yes, the same as there is in Greenwich.

323. I do not care for Greenwich; I want to go to Fulham, and I want to take your mind from Greenwich?—I have contended that there was that earthen mound all round the whole of the river in the metropolitan area.

324. You say a great deal more than I ask you; do not you know that at Fulham there is a large earthen bank with a public path at the top of it?—I believe there is.

325. You have impressed upon the Committee that this was not a ratepayers' question, that the ratepayers have nothing to do with it?—Nothing whatever to do with it.

326. You know that the Board of Works of Fulham have the control of the highways, and are liable to repair them?—Yes.

327. Then may I ask you out of what funds they are to repair this long bank and the Mall at Hammersmith?—They repair the bank out of the sewers' rate, and they repair the roads out of the general rate.

328. Are not they both repaired out of the general rate?—No, the embankment is the embankment of the river, and is repaired out of the sewers' rate.

329. I do not ask about the embankment of the river, I talk of the public path upon the top of the earthen bank?—That is an earthen bank which leaves a salting between that and the River Thames, and it is in fact the embankment of the River Thames, only at the back instead of the front.

330. You are pleased to call it so?—It is not only what I call it, but it is so.

331. The Board of Works at Fulham have to repair it?—Yes.

332. Now will not you modify your answer that it is no case, and in no sense a ratepayer's question; think a moment before you answer?—I cannot modify my answer.

333. And surely it is a ratepayer's question if the Board of Works at Fulham have to repair the Mall?—To repair the Mall is a ratepayer's question.

334. Then you do modify your answer a little?—No, I do not. The Mall is not in any sense the river bank, it is a public highway, and a proper way for carriages; that is a road just as Cheyne Walk in Chelsea was before the Embankment was made.

335. If it was repaired it was repaired at the expense of the ratepayers?—Yes.

336. You have been asked what took place with regard to the Limehouse Board of Works, on the 20th of March 1879; did you hear this read at the Metropolitan Board of Works: "Board of Works for the Westminster District, 20th March 1879. Sir,—This Board have had under consideration the Thames River (Prevention of Floods) Bill, introduced into the House of Commons by the Metropolitan Board of Works, and have directed me to forward you the following copy of a resolution passed thereon, 0.89.

'That this Board is of opinion that the cost of carrying out the Act should be borne by the whole metropolitan area, and that the Home Secretary and the Metropolitan Board of Works be so informed'?"—Yes, I think there was some memorial of that kind or resolution of the district board read.

337. Do you know that in March 1879, the Kensington Vestry passed this resolution, "That in the opinion of this vestry the expense to be incurred in carrying out the works proposed by the Thames River (Prevention of Floods) Bill shall be borne as recommended by the Select Committee of the House of Commons by rate levied over the whole of the metropolitan area, and not by the respective parishes in which such works may be carried on?—I do not remember that.

338. But do you remember the other?—I have some recollection of the other; I think Mr. White brought it up.

339. Do you recollect any other case in which the Metropolitan Board of Works have taken powers to do works, not only without contributing, but at the expense of private individuals or public bodies?—No, the Metropolitan Board of Works have not done so, but then that wants an explanation, and the explanation is this, that this is a duty now cast upon the local boards and vestries for the prevention of floods, and under the original Act the local boards and vestries are empowered over and over again to do numberless acts without any notice whatsoever to the owners of the property which they affect, and can make them contribute for the making of roads and sewers, and for the making of all sorts of things for the social welfare of the inhabitants in their respective districts.

340. Can you tell me what the numbers were for and against the withdrawal of the Bill of 1877; was it 21 against and 15 for?—I think they were something like that.

341. That was on the 19th of June 1877, was it not?—I will give it you in a moment; 15 were for the amendment and 21 against the amendment.

342. The *Chairman*.] What was the amendment for?—I will state what it was. The decision of the Committee was reported to the Parliamentary Committee of the Board, and the Parliamentary Committee brought up the report of the Board. It was brought up to the Board by Mr. Freeman, the member for Kensington, to whom the learned Counsel has just referred, and he moved that "The resolution of the Select Committee of the House of Commons upon the Thames River (Prevention of Floods) Bill, expressing their opinion that the expenses of the Bill should be paid out of a rate levied over the whole metropolitan area, involved a principle so essentially different from that contained in the Bill introduced into Parliament, that the Metropolitan Board of Works did not feel justified in proceeding further with the Bill this Session." An amendment thereupon was moved by Mr. Runtz, and seconded by Mr. Fowler, that the Board assents to the terms of the resolution of Mr. Grant-Duff's Committee, and therefore refers the Thames River (Prevention of Floods) Bill to the Parliamentary Committee, in order that the necessary alterations may be made, and the Bill proceeded with. The amendment having been put to the vote, there were for it 15, and against 21, and it was therefore declared by the Chair-

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man to be lost. Then the original motion was put, when there was for it 21, against 15, and it was declared carried.

343. Mr. Collins.] In the Bill of 1877, in the 17th Section, there was power given to the Metropolitan Board of Works to contribute to the cost of the works?—Yes.

344. That is left out of this Bill?—Yes, because the owners are made responsible for the work now.

345. How does that act as to local boards?—The local boards have got no frontage except roads going down to the river.

346. Excepting roads, is not that a good deal in Fulham?—I do not think it is.

347. You know that the roads fronting the river in the parish of Fulham amount to nearly a mile?—I do not know the extent of them.

348. The affected by the Bill?—I do not know the extent of it.

Cross-examined by Mr. Pope.

349. I have one or two questions to ask you on behalf of the Gas Light and Coke Company. The lands belonging to the Gas Light and Coke Company at Becton, I take it, are beyond your jurisdiction altogether?—Altogether beyond.

350. Have they also property on the easterly side of the river, and is that also beyond your jurisdiction?—Yes.

351. Then so far as they are interested in the matter, it would be as to their other lands in the metropolitan area?—Yes.

352. Is that the case in the neighbourhood of Silvertown?—Silvertown is out of our jurisdiction.

353. Pimlico will not be?—Pimlico will be in our jurisdiction.

354. Do you know the condition of the river bank at that part of the river where the Gas Light and Coke Company's Pimlico Works are?—Just before you get on to Millbank.

355. But there is a substantial retaining wall there, is there not?—Yes, there is.

356. I should hardly think that you would contemplate any necessity for erecting works there?—Certainly not.

357. How about the Fulham works, they are within your district?—Fulham is within the area.

358. You would not contemplate any necessity for ordering any works benefiting the Gas Light and Coke Company at Pimlico?—I do not know what you mean by benefiting them.

359. Nor do I, to tell you the truth, but I supposed the reason why people were asked to pay for the construction of the works was some supposition that they would get a benefit from them, but I may be wrong in a Metropolitan Board of Works sense?—Do you mean it in the sense that any owner of property should be compelled to raise his frontages so as to prevent the influx of the tide?

360. Not to derive any benefit from it?—He would derive benefit if the water is taken off his premises.

361. You used an illustration as to the power to make sewers when a vestry first orders a street to be paved and sewered; who pays for the paving and sewerage?—The owners of the property abutting on the road.

362. The owners of the property abutting on the road, not people in the adjoining streets who do not have property abutting on the road?—

Mr. Cripps.] Are you under the impression that any works are going to be done on the gas works property?

Mr. Pope.] I am under the impression that we shall have to pay for works done somewhere else.

Mr. Cripps.] As a general ratepayer of the metropolis?

Mr. Pope.] No.

Mr. Cripps.] The only way in which you can be called upon under this Bill is as a general ratepayer of the metropolis.

Mr. Pope.] Will you exclude us from your powers?

Mr. Cripps.] No, there can be no exception whatever.

The Witness.] The gas company would not be liable to be called upon for a shilling of expenditure, unless their frontages were below the requirements for the prevention of floods, excepting for the compensations that are proposed by the Bill to be thrown over the whole metropolis.

Cross-examined by Mr. Pembroke Stephens.

363. When you were speaking of the size of your own district, I think you said it was nearly as large a river frontage as Wandsworth?—Wandsworth is the largest river frontage of any district board in the metropolis.

364. Wandsworth includes the three parishes you spoke of upon the left of the map?—Yes, Wandsworth, Putney, and Battersea.

365. Can you give me any idea, taking it, not as the crow flies, but as the river runs, the total length of the river frontage which these works will affect?—I have heard it mentioned, but the engineer had better state that. I think it runs upon both sides of the river up to 25 or 30 miles.

366. Mr. Birley.] It is marked upon the plan?—Forty-two miles.

367. Mr. Pembroke Stephens.] These works will extend over a frontage of 42 miles?—Yes.

368. Over the whole of that it is your desire to fix the height at which the works shall be made?—Yes, the engineer before said that he thought it was right that it should be five feet above Trinity high-water mark.

369. Then the controlling power which you seek by this Bill is one which I may call shortly 42 miles in length?—It is to the metropolitan area.

370. Over the whole of that you will then take power to require works to be done?—Just so.

371. And to compel the works to be done?—If necessary.

372. And to pay compensation arising in respect of the works when done?—Compensation is limited by the Bill.

373. In what capacity do the Board seek for power to give those orders?—As a central authority for the metropolis.

374. My learned friend Mr. Cripps opened it, that it was really to guard against extraordinary floods that the powers of this Bill were sought? Yes, Mr. Cripps did say so.

375. In one of the memorials put in this morning I think it was said that the first flood which really directed the attention of the Board to the necessity of dealing with this question, occurred in 1874?—Yes.

376. And it is since 1874 that the memorials and documents, some of which have been read and referred

referred to, have reached the Metropolitan Board of Works?—Yes, it has been constantly before the Board since that time.

377. It was under your consideration for a year or two, but it was in 1877 that the first Bill on the subject was introduced?—Yes, 1877 I think it was.

378. We have had decisions quoted and referred to, but practically the Board have satisfied themselves that the existing legal powers were insufficient when they came forward to propose fresh legislation on the subject?—It was believed so, but, as I said before, none of these local boards or vestries who were in default, and your own amongst the number, ever took any means of ascertaining that fact by asking for a mandamus in the high court.

379. Will you now favour me with your opinion as to whether you think the legal power, as now existing, sufficient or insufficient without this Bill?—I am unable to judge; it is a legal question. I can only say that the legal advisers of my own board thought they were insufficient.

380. I suppose, unless the Metropolitan Board of Works thought they were insufficient, they would not be here to promote this Bill?—Certainly not.

381. I do not know that we have yet caught the exact effect of the Bill of 1877; it was represented as a Bill to strengthen the hands of the district boards?—Yes.

382. Proceeding upon the lines of the Act of 1855?—Yes.

383. Was there also side by side, and concurrently with it, in the same Bill a power to the Metropolitan Board of Works, by Clause 11, to throw overboard the whole of the machinery of the district boards, and to take the execution of these works into their hands themselves?—That was so.

384. Is Clause 11, the one referred to and read this morning, the one giving compensation?—Yes; that is the one making compensation for any damage done.

385. Then, as a matter of fact, there were two proposals before the Committee of 1877, one that the works should be done by the district boards, substantially upon the existing lines, and the other was a power to the Metropolitan Board of Works to do the work themselves?—To do the work themselves; but it was also accompanied with the power to the Metropolitan Board of Works to contribute, if they thought fit.

386. In order to make it clear I will read this: "In lieu of requiring any vestry or district board under the authority of the Act, the Board may themselves, if they think fit"?—Yes.

387. The Committee of 1877 had both those plans before them?—Yes.

388. And having both these plans before them, did they resolve that the most equitable way for providing for the works was by a general rate over the metropolis?—Yes, they did so, after having heard evidence only on one side, without hearing any to the reverse.

389. That is your evidence?—Yes.

390. That having been the state of things in 1877, how do you suggest, apart from your own opinion, and the opinions of the Metropolitan Board of Works, that the circumstances have changed since 1877?—What I have stated before is simply this, that the great objection that was made to the Bill of 1877, was that it would throw

a very large cost upon the local boards and vestries, and that that large cost would arise mainly from compensations, and that therefore the Board came to a compromise, and determined that they would throw the compensations over the whole metropolis.

391. Then to that extent they give effect to the recommendations of the Committee?—Yes, to that extent.

392. Having gone that far, it would not have required you to screw your courage up much to give effect to the whole of the recommendations?—But it requires these few words of explanation, that the members of the Metropolitan Board of Works were not of the same opinion as the local boards and vestries as to the amount of compensation that would be claimed, and they so framed their compensation clause as that it would not lead to large compensations; therefore, under those circumstances, they were prepared to yield, so far as that was concerned, and to take it upon the whole of the metropolitan area.

392*. Is this or not a compensation clause?—It is a compensation in the terms of the particular section.

393. One therefore drawn to limit the compensation?—To limit the compensation.

394. Does not that suggest that somebody may go without compensation?—No, it runs upon the line that owners of property are bound to do this work, but where it makes any permanent interference in the value of a particular property, that then, and not till then, the Metropolitan Board shall pay for it. It is nothing more than permanent interference with the value of the property that the Board is to compensate for.

395. As I understand, the Bill of 1877 required the vestries and district boards to do the work?—Yes, as the Act of 1855 did.

396. Is the Board or not to pay for it out of the rates?—No, they have the power under the 159th section of raising money from the area of benefit.

397. But substantially in accordance with their existing powers, and by rates?—Yes.

398. I understand this Bill does not throw the duty on the district boards, but throws it directly upon the owners?—It throws the responsibility of it upon the owners.

399. Then the proposals of the Bill in that respect are not on all fours with the proposal of the Bill of 1877?—No, it is not upon all fours; it varies in that respect.

400. Then as this Bill differs from the Bill of 1877, and as the Bill of 1877, we are told, was in accordance with the Act of 1855, and followed it, it seems to follow, does it not, that this Bill does not follow the Act of 1855?—It does not do so in that respect.

401. Then this is something entirely new?—It is something entirely new, and we have put in evidence the Acts of the late Commissioners of Sewers from almost the earliest period, years and years back, showing that it was the course pursued by the late Commissioners of Sewers; and Mr. Cripps stated we desired now to return to that which was shown to be the custom and the right of the Commissioners of Sewers to compel every frontage owner to preserve his own frontage, so as to prevent floods.

402. The Bill of 1877 followed the Bill of 1855?—Yes.

403. The Bill of 1879 throws overboard what the Bill of 1877 proposed; it throws overboard what

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what has existed since 1855, and goes back to what existed before 1855?—Before 1848, I may say.

404. Can you give the amount that this compensation is likely to come to?—No, I cannot at all, because the information that we have before us seems rather to show that many of these owners of property will find it so much to their own advantage to have these works properly done; that they would be only too glad to get them done.

405. My learned friend, Mr. Cripps, opened to us yesterday that there were rather a class of specialists who make compensation cases their business?—There are, and so we know to our cost at the Metropolitan Board.

406. You stated that the first extraordinary flood was in 1874?—In 1874.

407. That was exactly 19 years after the Board came into existence?—Yes.

408. And those 19 years had been years of great activity?—Yes.

409. Widening bridges?—I do not remember any bridge being widened.

410. Blackfriars?—That was done by the City of London, not through the Board.

411. The Embankments have been built?—The Embankments have been built.

412. In fact, very great changes in the character of the river have taken place?—Yes, within the area of the metropolis, no doubt of it.

413. And those improvements were made at the public expense?—They were so.

414. And obviously when the Embankment was put in front of any district, the owners of that district were not called upon, or the rate-payers of that district were not called upon, for any distinct fulfilment of what you now call a legal obligation?—No.

415. I think you admitted that there was great difficulty in fixing what are and what are not local and general improvements?—I do not think I have admitted that. I think it is very easy to decide which are local and which are general improvements; but that is not the question; the question now is whether it is a local improvement at all.

416. To a general improvement the whole of the metropolis would have to contribute?—Yes.

417. I am told, correct me if I am wrong, that there is a road which leads out of the Edgware-road, which goes to the foot of the bridge crossing the canal and goes on towards the "Royal Oak"?—The Harrow-road.

418. That road was at one time looked upon as a local improvement, and afterwards as a general improvement?—Yes.

419. And Wandsworth had to pay its share of widening that road?—It had.

420. Last time you were under the impression that Greenwich had done all that was wanted?—Yes.

421. And subsequently was not there a communication from Sir Joseph Bazalgette, which showed that upon that point you were a little bit mistaken?—Not so far as our embankment wall is concerned. There were a few private owners who had not raised their wharf walls sufficiently high, but the Greenwich Board have called upon them to do so. All of them have provided either temporary or permanent defences from the river.

422. Though you thought everything had been done that was requisite, Sir Joseph Bazalgette saw his way to spend 10,000 l.?—He intended to

raise the wall in Greenwich parish about six inches. It is now 4 ft. 6 in. The proposal was to make it 5 ft., and it being of great length, would run into a great deal of money; but neither that high flood of 1874, nor any since, has flowed over the embankment wall.

423. Do not misunderstand me. I am only suggesting to a gentleman so well acquainted with the district as yourself, that when it was looked upon in an engineering light, further expenses were found necessary. In the district I represent I think we had special difficulties. You mentioned several rivers running into the Thames?—You have the Wandle.

424. And we have also the Beverley Brook?—Yes.

425. Those are streams of considerable volume of water, running into the Thames, are they not?—Yes.

426. I suppose you would admit, would you not, that it would not be desirable to do anything in the way of a wall following the course of the Thames, which would dam or back up the water of the streams entering at right angles?—You mean put a gate across the river.

427. To do anything damming up the water of those rivers in those districts?—The Ravensbourne is in my district, and it would be undesirable to close the river from the barges and vessels going up to the tidal reach of the Ravensbourne, and I assume it is the same in the Wandle.

428. It is not enough merely to consider that it will be a river wall of the Thames, but you must consider its connection with the Ravensbourne?—That is what is proposed to be done in this Bill.

429. In fact, the thing must be dealt with as a whole?—Yes, in that respect.

430. I understood you to say that the Metropolitan Board of Works had been obtaining reports on these different rivers?—That was of the rainfall, not the tidal portion of it.

431. And equally floods?—Floods from rainfall.

432. Shall we have an opportunity of seeing that report?—I do not think it is a public document at the present moment.

433. You referred to it?—I stated the general fact that it had been reported upon by the engineer, that is all, that has not been approved by the Metropolitan Board of Works; it is referred to a Committee, and in that respect it is not a public document.

434. If there is anything private in it, I do not want to do anything irregular; but I understood you to say in your evidence-in-chief that you had the document, and the question arose as to whether it should be put in?—I referred to it to show that it was stated that it would cost a very large sum of money to remedy the evils existing in the Quaggy and the Ravensbourne, and that it would be very inequitable to use public money for that remedy, when it would entirely benefit private property only.

435. Sir Joseph Bazalgette is the engineer who has reported upon that matter; will he be called for the purposes of this case?—He will be called, certainly.

436. The only other thing that I have to ask you is this, to remind you of two or three questions which were put to you upon the last occasion when you were examined here, whether you still are of the same opinion?—

The

The *Chairman*.] Does that affect at all the evidence he has given to-day?

437. *Mr. Pembroke Stephens*.] I think so. It is at page 184. You were then cross-examined by my learned friend, *Mr. Philbrick*, whose able assistance we then had the advantage of on this side of the table, and he put to you this question at page 184, Question No. 2781: "With regard to through communications and thoroughfares, they are put always on the metropolis at large, are they not?"—Yes.

438. That is the policy of the Board. For instance, the improvement of the River Thames, being a great thoroughfare by water, that would be metropolitan?—Clearly so.

439. An improvement of a main thoroughfare?—Clearly so.

439.* Having read that, are you still of the same opinion?—Clearly so again.

Cross-examined by *Mr. Balfour Browne*.

440. I appear for Messrs. Browne, Elmslie, & Company, and a great many more owners of sufferance wharves upon the banks of the Thames below London Bridge. It may be fairly said that the principle of this Bill is that the first person affected by the floods is to be responsible for keeping them out?—Yes.

441. The principle of the Bill of 1877 was that all the persons who were benefited by the works were to pay for them?—Yes.

442. And I think the principle of the Act of 1855 was analogous to the Bill of 1877 in that respect?—Yes, it was so.

443. That is to say that the expense was, under the Act of 1855, to be divided between the person who has the work to do, and the persons benefited?—And the area benefited.

444. What was the principle of the Bill introduced in 1878?—The Bill of 1878 was almost precisely the same as that which we have now before the Committee.

445. In that respect it was the same as the one before the Committee?—Very nearly so.

446. And in that respect the Bill which is before this Committee is on all fours with the Bill drawn by the Metropolitan Board of Works last year, at the instance of the Government?—Not at the instance of the Government.

Mr. Philbrick.] It was brought in on the 8th of April; it was marked with a small A. There were many adjournments, and the Bill never was printed.

447. *Mr. Balfour Browne*.] The Bill never was printed, and it was withdrawn. (To the *Witness*.) Which do you think the most equitable principle, that all the persons benefited by the improvements ought to pay, or that the person who happens to be nearest the river should bear the whole expense of the works?—I have expressed my opinion already, that where persons have been allowed to build upon that which was the river bank, and constructed their buildings so as to take the place of the river bank, they are by that fact compellable to keep up their defences against floods.

448. I understood you to give evidence in 1877 in favour of the Bill of that Session, that the principle of the Bill was the most equitable that could be adopted?—I was prepared to say so, but since then my mind has been brought to consider that fact to the extent I have said, and to that extent I changed my opinion.

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449. What you thought most equitable in 1877 does not seem to you the most equitable plan in 1879?—You may take it as that.

450. As to this estimate which you have put in, and the plan which has been submitted to the Committee by this time, has the plan promised been submitted to the Committee?—You had better reserve your questions upon that point, because I have not seen the plan.

451. Whatever the plan does show, the Metropolitan Board of Works do not bind themselves to adhere to that plan in any respect?—I do not think it is possible for them to adhere to any plan, inasmuch as the object of the Board would be a conference with the owners or occupiers of the property to be affected, to carry out the works in the way most suitable and the least interfering with their business.

452. In a way not that is most suitable, but which the Board of Works think most suitable?—And will least interfere with the people's business.

453. So that to all intents and purposes this estimate which we were supplied with on Saturday last, and the plan which will be submitted to this Committee, is simply illusory; it does not guide them in any respect?—It may or may not, but I cannot answer the question.

454. You say that it does not bind you distinctly?—It would be unwise, in my judgment, for the Board to bind itself in any way as to the particular way in which the works are to be carried out.

455. As to the Thames Embankments, the plans were submitted to the House, and estimates were submitted along with the plans, and the Board thought itself bound by the plans and estimates?—Yes; but there is no parity between the Thames Embankment work and the different variations which may be necessary with reference to the question now before the Committee.

456. With reference to that I think you found that the plans which had been submitted, which were for the protection of the land lying behind the Embankment, were found when the works were completed to be inadequate, the Embankment was not high enough?—By "Embankment" do you mean the sufferance wharves?

457. No, I speak of the Thames Embankment; the Thames Embankment has since it was constructed had to be altered with the view of keeping out the floods which would now flow over the roadway?—There has been six or eight inches of stonework added in order to prevent the water coming on to the Embankment.

458. Therefore, at the time those plans and sections were submitted, the engineer to the Metropolitan Board of Works had not calculated the high water of the floods sufficiently?—It is clear that the tide has risen higher than it had done before.

459. Supposing all these works are carried out upon these estimates, is there anything to prevent you in the future from coming and saying that those works are not enough, and that you must come and do other works to prevent the flooding of the district?—No; if it is found that, from causes which we are not able to control, the tides in the river rise higher and higher than they have done in the last few years, it would necessitate the Board requiring the wharf walls to be carried higher.

460. Your power is continuing, and you may after you have put us to any expense you think necessary,

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necessary, tell us that we must go to further expense to raise our walls?—It would be necessary to do that for the protection of others, the poor persons damaged by it, and the gentlemen you represent would be hardly desirous of preventing poor persons being damaged by a small expenditure upon your own wharves.

461. I think you take power by this Bill to listen to any objections that any of the persons along the river may make, that the works recommended upon their property are unnecessary?—I do not know that the word is "unnecessary;" it is that they are objectionable.

462. You may listen to those objections?—Yes, and we take power to vary the works so as to make them more suitable.

463. So that that again introduces another element of uncertainty into the measure?—Yes, in the interests of the owners of property.

464. If the interests of the owners of property are the same as those of the Metropolitan Board of Works?—It is the interests of the owners of property alone.

465. The Board have to decide the whole question, have they not?—They have the power by this Bill to decide the whole question.

466. And if the objections of the owners of the wharves are disallowed, there is no appeal from the decision of the Board?—There is no appeal given.

467. Do you think it fair or otherwise, that there should be no appeal from the decision of the Board?—There is no appeal now; at present the local boards and vestries are bound to do it; they have not done it, and there is no appeal from their decision.

468. Is there any provision in the Bill to provide that you shall do justly by one owner against another; that you shall not give undue preference to one owner?—No, it is left to the Metropolitan Board of Works as a representative body of the whole of the metropolis on the trust and faith that they will exercise fairness and equity between each of those persons.

469. Parliament is to give you any powers that you ask, and you are to exercise them as you think proper?—Yes, in the interests of the public at large.

470. The works upon different wharves would depend upon the height; one will have to be raised one foot nine, another less, and another more?—Yes, and some will be permanent and some movable.

471. And that places a very great discretion in the hands of the Metropolitan Board of Works?—Yes, and it is necessary that they should have that discretion.

472. Do you think it reasonable or otherwise that there should be an appeal upon this matter to some competent authority to say whether their requests are reasonable or otherwise?—I think that it would be very unwise indeed if the Bill created an appeal; it would practically take the whole matter out of the hands of the Metropolitan Board of Works and their engineer, and throw it upon some special person, and create in the end a difficulty which would be sure to lead to a vast increase in the expense.

473. You were asked as to the improvements of the Harrow-road, to which you said the Metropolitan Board of Works contributed?—No; they paid the whole of the expense of the Harrow-road.

474. Therefore the whole of the metropolitan

area was taxed for that improvement?—Yes, is being taxed.

475. I understand that if these works are carried out the district on the south side of the river, the street called Tooley-street, will be entirely protected from the floods that they are now liable to?—Yes.

476. Will you tell me what in your view is the difference between making the Harrow-road a better road, in the interests of the public, and protecting Tooley-street from the floods and inundations?—The flood in Tooley-street is a mere casualty, which happens once in three or four years; the Harrow-road improvement is permanent for the benefit of the whole metropolis; there is no parity between the two.

477. What removes the parity, according to view; is it that the one is a permanence and the other a casualty?—Yes.

478. That is your view?—Yes.

479. All things that have contributed to the improvement of the metropolis as a whole have been placed in the hands of the Metropolitan Board of Works, such as the Main Drainage Sewers, under the Act of 1855?—Yes.

480. Anything that was a metropolitan improvement as a whole has been kept in your hands?—Yes.

481. While the vestry and district boards have had all subsidiary matters that only benefit the districts?—Yes.

482. May it not be said that the work for the protection of the whole of London, or the low-lying parts of London, from the overflow of the Thames, which runs through the centre of it, is not, in the fullest sense, a metropolitan improvement?—Certainly not. The Metropolitan Board of Works have nothing to do with the navigation of the river; that is a matter for the Conservancy. All we have to do with is the frontage of the river.

483. You did undertake the embankment of the river, not only the Victoria and Albert Embankments, but the Chelsea Embankment?—Not to prevent floods, but to carry out a great metropolitan improvement, connecting it with the main drainage of the metropolis at the same time.

484. You think it is a great metropolitan improvement to carry certain roads along the river bank; but it is not a metropolitan improvement to protect Lambeth and the other districts from inundation?—It cannot be a metropolitan improvement to make a man's private property free from floods at the public expense.

485. Supposing I have private property which is subject to floods, and it does not do my property any harm, would the principle of your Bill be still applicable to me?—No; that would come under the principle of the old levels, which provided that the expense should be paid over the area of benefit.

486. You are aware that many wharves are subject to floods, and there is no injury to them at all, and by this Bill you will say that the wharf owner, though he gets no benefit from it, shall do it for the benefit of the people placed behind him?—I say that the wharf owner, having built upon the original river bank, will be bound to maintain the river bank which is now his own premises.

487. You know as a matter of law that they are not bound to do so?—I do not know that.

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The *Chairman*.] It is getting into a very able argument upon both sides; but your object is to get at the real statement of facts. We are acquainted by this time with the opinion of the witness, and after all the only important thing is the fact.

488. Mr. *Balfour Browne*.] Unless some member of the body has raised the question before, I must put these questions to the witness, otherwise when I come to read my evidence my learned friends will say that I have not challenged their witnesses by cross-examination. (To the *Witness*.) One question as to the principle of compensation; the Bill is, I understand you, simply drawn so as to limit the compensation as much as possible?—To limit the compensation to the permanent injury to the property.

489. Supposing I own some of these wharves, and refuse to do some of the work myself, and you do it for me, which you have the right to do, you obstruct my wharf for a considerable number of days or weeks, or months, but for that obstruction I am to receive no compensation?—No compensation by the Bill as now drawn.

490. The compensation, when it is for permanent injury, is not to be determined as it was in the Act of 1855 under the Lands Clauses Act, but by a permanent arbitrator, who is to be a servant of the Board?—Who is to be appointed by the Government.

491. He is to be paid by the Board?—He will be paid by the Board as all arbitrators are paid by the Board.

492. It is not an open arbitration, as it was under the Act of 1855, but an arbitration before a standing arbitrator, who is to be paid by the Metropolitan Board of Works?—It was thought by the advisers of the Board that it would give more confidence to owners of property that a Government arbitrator should be appointed.

493. And also to be salaried by the Metropolitan Board of Works?—No.

Mr. *Philbrick*.] It is to be according to the directions of the Secretary of State.

494. Mr. *Balfour Browne*.] Supposing there were two means of keeping out the water, one a very simple method, and the other a very difficult method, and that the Metropolitan Board of Works ordered the latter and more expensive method; and if after objection made, the Metropolitan Board of Works still held to its own opinion that the more expensive was the better, there would be no means of bringing up that question before any other tribunal to have it determined which was the better?—None; it has been thought right that there should be no appeal, and I think the ratepayers of the metropolis, or the owners of property in the metropolis, ought to place full confidence in the Metropolitan Board of Works, as a representative body.

495. That is your opinion, and you have expressed it three or four times in cross-examination?—Yes.

Cross-examined by Mr. *Freeman*.

496. This Bill, you say, is a compromise?—Yes.

497. You also said that it follows largely the lines of the letter addressed by the Limehouse Board to the Metropolitan Board of Works?—Yes, largely.

498. First of all as to the public works, that is to say, works which the local board execute themselves; do you know anything of the actual

condition of Limehouse in that respect?—I do not know it from my own absolute ocular demonstration of it, but I believe there is very little indeed to be done; the Limehouse District Board has done all that is necessary to be done there. There are a few small ways from the river that are below high-water mark, and they do now and then let in the water, but they have slides which prevent it.

499. Therefore, as far as they are concerned, they are in an excellent condition?—I believe so. They state that in their petition, and I have no reason to doubt it.

500. I suppose the Limehouse Board have done their duty in a complete way, and that some of the other bordering parishes have not done their duty so well. Is it fair that the Limehouse Board, in addition to what they have spent in doing their duty, should pay a proportion to make up the deficiency of those other parishes?—That is the argument that they have used; it would be unfair and inequitable to charge one district who has done its duty with the failure of another district which has neglected its duty.

501. As you admit that this district has done its duty, may I so far take it that the Bill will do an injustice to Limehouse in that respect?—It will do no more injustice to Limehouse than to the whole of the metropolis; that is, it throws upon the whole metropolis the cost of compensation.

502. As regards the examination of what is to be done, you propose to have it done by the district surveyors?—That is afterwards; if the frontage is found out of repair it will be the duty of the district surveyors under the Bill to take notice of it and report to the Board.

503. There are already officers in the employment of the local board, surveyors to the local board?—Yes.

504. Are they not in the first instance the people who from local knowledge would be best able to see what is required?—I should say they would, but the district surveyors are the officers of the Metropolitan Board of Works, and they are in the neighbourhood, and are invested with the power and duty of watching the matters in question.

505. As regards private lands, may I take it that the reason why you wish the walls kept up is not so much as regards the frontages themselves as the effect upon other persons behind them?—It is both for the properties themselves and those behind them.

506. Supposing that a man has no objection to be flooded, and it did no harm to anybody else, is there any reason for interfering with him?—Yes; for the reason that I have stated over and over again, where buildings are on the river bank.

507. I am perfectly aware of that, but if it does nobody any harm, have you any objection to it?—Not if it does nobody any harm. I cannot believe it possible that if the River Thames water comes through premises abutting on the river it cannot do harm to somebody; it must get into the sewers and cause a large amount of pumping at the outfall, and cause considerable loss to the metropolis one way or the other.

508. May I take it that your main objection to it first is a sanitary objection?—A sanitary and social objection.

509. Have not the district board officers the special duty of examining into the sanitary condition and report upon those matters?—Yes.

510. Therefore am I wrong in believing that they

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they are the persons who would best suggest what improvements should be made in their particular districts?—Yes, so far as that goes.

511. So far as I understand you, the reason why you say the matter must not be left to the district boards is because it is necessary to have one uniform datum line?—And because there are defaulting boards who have done nothing.

512. As regards the uniformity of the line, could it not be done by the bye-law of the Metropolitan Board of Works?—I suppose it might. I have not considered it in that way.

513. Assuming that this district board has done its duty, is it fair that it should be put under these restrictions because other boards have defaulted?—I do not see that it is put under any restrictions. If they have done their work there will be no work to do in their district; if they have not done their work it will be necessary to put the powers in force.

514. Your Bill gives you power to do any works you think fit?—That may be necessary.

515. Does that word occur?—Yes, the whole preamble of the Bill is that which may be necessary for the prevention of floods; the 1st clause of the Bill uses the word “necessary.”

516. In some of the clauses it occurs, but not in all; who is to be the judge of what is necessary?—The Metropolitan Board of Works.

517. Supposing a district board, having done its duty, as it thinks, does not consider it necessary, it is to have no appeal at all?—It would have no appeal, except to the Metropolitan Board of Works; the Metropolitan Board of Works is the Court of Appeal now, in many instances, under the Act from local persons and district boards too.

518. In the majority of the Building Acts there is an appeal to an outside body, the magistrates, for instance?—I am not a member of the Building Acts Committee, but I do not think it is as you suggest it.

519. As to questions of constructions of buildings, is there not an appeal to the magistrates?—I think there is; I hardly like to answer the question, because I am not a member of the Building Acts Committee.

Mr. Philbrick.] It is this: if you proceed against a man for a breach of the Act, the magistrate is to decide whether it is a breach of the Act or not.

520. Mr. Freeman.] Assuming, as you told us, that this district board has done its duty, does it seem to you that there is any sufficient reason why it should not retain its powers?—There are certain district boards within the metropolis which, having the same powers that your district board has, have failed to perform their duties, and the Metropolitan Board of Works ask Parliament for powers to compel all district boards and vestries to fulfill their duties.

521. You say that this Bill is largely following the lines of the letter addressed to you by the Limehouse Board; was not this what was said in that letter; it is dated the 7th May 1874: “It appears to this Board that further legislative authority is necessary to deal with the question, as the owners of wharves requiring to be raised to prevent inundation should be liable to defray the costs and expenses incurred by the district board in performing the work, and the district board should be indemnified against consequential damages. The district board feel the great importance of the question being taken up with-

out a moment's delay, for the evil consequences arising from the late inundations are very serious, not only in this district but in other river-side districts of the metropolis, and I am directed to urge the Metropolitan Board to take the steps necessary either to promote a Bill in Parliament for the purpose, or to get introduced into the Bill they have now before the House of Commons, power for the district boards to require the owners of all wharves to raise them to a sufficient height to keep out the highest tides, and in the event of neglect or refusal so to do, that the district board may enter and perform the works and recover the expenses from the owners, and that such expenses be made a charge upon the property.” That is exactly what you said would be done?—The Bill carries out all you have read, saving the last words, “that the district board may enter and perform the works and recover.” The Metropolitan Board of Works may enter and recover.

522. Then Mr. Philbrick asks, having read that letter, “That letter is precisely on the lines of this Bill?—Yes; that is what we now ask for; and that is what we were first of all asked for by several of those districts?”—It is upon the lines of that letter, saving and excepting that the Metropolitan Board of Works have to do the work.

Re-examined by Mr. Philbrick.

523. If you have to pay compensation you think you ought to have the management?—Clearly.

524. Of course, if you have the onus of paying for all interference; with regard to the questions put to you by my learned friend Mr. Balfour Browne, and by my learned friend Mr. Freeman, about that, do you think it is right that the work should be under our control; that it should be under the control of the body who has to pay the compensation?—I think so, certainly.

525. Your attention has been called to one or two matters; several of my learned friends have mentioned that there is no plan for main drainage; you have had no plan?—There was no plan for main drainage.

526. Nor under the 69th section?—Nor under the 69th section is any plan required under the Act of 1855.

527. The other matter I have to ask you is—it has been said that there are a large quantity of roads, the Mall at Hammersmith, and so forth, by the side of the river; my learned friend asked you if you protect that from inundation why is not that a metropolitan improvement; do you see any distinction if you incur an expense for paving and making it a better road?—No, it would be very much the same; the Metropolitan Board of Works would never think of spending money upon pavement or improving roads; all we do is widening and making the road more convenient for the increased traffic, and so on.

528. Sir Baldwin Leighton.] With reference to the rights of way which you mentioned, upon which the wharfingers have their property now; were they purchased, or how did the wharfingers become possessed of them?—We have no information on that point; one can only argue that question on what we find doing there at the present day; in my own district we have owners of property very anxious to extend their buildings down to the river wall, and if we allow them to come out, which we have not done, because they will not provide a proper road at the back, we say you must protect the river wall; the river wall

wall would cease to exist, and their buildings would then be the Embankment wall.

529. Does the right of way subsist?—All the right of way is gone.

530. You do not know how it has gone, but it has gone, in fact?—We have a map showing a right of way opposite Lambeth.

531. It is not gone by purchase, or Act of Parliament, or anything of that kind?—I should suppose the owners of the property came to the parish and said, "Will you give up that right of way if we build our premises out on the embankment wall?" and they say, "Yes, we will, and you must maintain your premises, and protect them from the tide coming in;" that is the natural course of things.

532. You have no evidence of that particular arrangement?—We have no evidence of any covenant of that kind, only this evidence, all the Commissioners of Sewers that have existed have acted up to that principle, and have compelled these owners to make their buildings at the proper height at their own expense.

533. In your evidence before, you spoke of the land at Plumstead, that would be within the metropolitan area?—Yes.

534. Where there was the area of benefit assessed or charged for the water wall?—Yes.

535. It was decided by some special arrangement?—It was decided by a judgment in the Queen's Bench Division of the High Court of Justice that the Plumstead District Board of Works must incur that liability; they incurred the liability, and then they raised it by a special rate over the area of benefit.

536. The area of benefit was the flood line?—The area of benefit was the flood line.

537. Is there any other case which has arisen similar to that?—Yes; I gave evidence in a former Committee of what the Greenwich District Board of Works had done; it is in the third page of my evidence on the last occasion.

538. In that case were the owners compelled to raise the wall?—No, the Greenwich District Board, in that case, did the whole of the works.

539. And for the cost of the work they assessed the area of benefit?—Yes, they raised a 1 s. 8 d. rate in one case, and in the other case 3 s.

540. There are those two cases in which the area of benefit was assessed under the Act of 1855?—Yes.

541. Since 1855?—Yes.

542. Was there any other instance within your knowledge?—Not that I know of; there are not many districts so situated as the Plumstead Board of Works and the Greenwich District Board; it is only Fulham that is left subject to that; they have not put the Act in force in that district.

543. Sir Charles Dilke.] The only question I have to ask grows out of the question put to you by the honourable Baronet. You have told the Committee that you think the warehousemen have generally built out and over what was at one time a public path by the side of the river?—We show that almost absolutely in some parts; we show it in Lambeth.

544. You show it only on the south side of the river, do you?—Yes.

545. Do you show it on any part of the north side of the river, between here and St. Paul's?—No, we could not do it now, because it was built up from such a very early period; we can show it opposite Greenwich Hospital.

546. You go back a long way; it is rather 0.89.

hazy as regards this side of London?—You must go back 800 or 900 years before you could do so.

547. Could you found a very serious argument upon that contention of yours?—I think it is a very sound argument.

548. Surely all the people in possession of property now-a-days are not the immediate descendants of people who came into it in that way; they have bought their property without the idea that it was property founded upon a public footpath?—I can speak to 50 years ago. Most of that land opposite Greenwich Hospital I can remember when the Poplar wall opposite Greenwich Hospital was a public way. Every inch of that ground is covered by a factory, and that factory is built upon the river wall; and those properties so built must necessarily become the embankment wall.

549. That is a very exceptional case, is it not?—No; if you go down the river you see scores of such cases.

550. Take all this side of the river, it is at least 200 years since that footpath was built upon?—One of my arguments is, that there is Bankside remaining as a part of the river wall.

551. That is not closed now?—No.

552. I speak of the cases where a public footpath has been closed and built over in the present century. They are very exceptional, are they not?—No; in Rotherhithe no doubt there was a river wall running through it. The frontage was built upon by the different buildings erected there; they left, and there are now five-foot footways to enable poor persons to go down to the river when their access was cut off; there are a dozen in Rotherhithe by which you can go down steps at low water, and get the water from the Thames; at that time it was absolutely necessary; they had only the river for their water for household purposes.

553. How long ago would that be in Rotherhithe?—Three hundred or 400 years ago.

554. The people in possession of the warehouses are not the persons who have done the wrong, are they?—The principle would remain the same if A. B., 300 years ago, built upon the river wall, and did something with the river bank for his own personal advantage; it is only reasonable that the property should continue liable down to the present day, when they have so many increased advantages.

555. Do you not think that that is rather a fanciful argument?—I do not think so. I think it is a legitimate argument.

556. The *Chairman*.] Are you aware of any case within your memory in which any private owner has obtained possession of frontage that was public?—Opposite to Greenwich Hospital, in the Poplar District Board, every inch is built upon up to the edge of the river.

557. That has been done when?—Since I was a child.

558. How did the parties who did that manage to obtain possession of it?—They must have done it through the local authorities or the vestries of their different districts.

559. I suppose they paid money for it?—I do not know how they did it. The same thing is occurring with us. We, as a local authority, are asked to allow the same privileges, and we say, Give us a road at the back, and keep up the privileges, and you can have them. They decline to do that, and they go without.

560. But you do it without taking payment from them?—We should not take payment from ourselves;

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ourselves; we should say it is an advantage to the district, because the premises would be so much increased in rating value; if they came to the edge of the river they could carry on business better, and their premises would be increased in value.

561. I want to ask a question as to the difference between this Bill and the Bill of 1877. Do you consider that there is any difference in the incidence of cost?—Yes, there is a difference in the incidence of cost, because, under the Bill of 1877, it was left to the district boards and vestries to do the works, and pay the money; and, under the 159th section, they have the power of assessing either the whole or any part on the area of benefit, and they might or not exercise that discretionary power; but under this Bill such power is not given to the local boards and vestries; it is an absolute power given to the Metropolitan Board of Works to compel every frontage owner to do the work necessary.

562. By the present Bill, if passed into an Act as it now stands, the frontage owners will in every case be obliged to pay the cost?—Yes.

563. And in the Bill of 1877 they might have escaped it?—They might have been called upon only to pay part.

564. Who would have paid the other part?—The area of benefit.

565. Being whom?—Being all the ratepayers or owners of property within such an area as the local board or vestry might determine to be the area benefited by that improvement.

566. Am I right in saying that according to the present Bill the frontage owners have to pay, but according to the previous Bill the frontage owners would only have to pay so much as the local board or vestry thought they ought to pay?—Yes, but I ought to make this explanation, that as the discretionary power is given to the local boards and vestries in assessing the cost that they incurred in raising these walls, I may be correct in saying they might assess almost every property so raised, and consider it to be for its benefit; I am not prepared quite to state that as a matter of fact.

567. This change that you have now made with regard to the incidence of cost, do you consider that that is in consequence of the recommendations of the Committee in 1877, or is it because it is now the opinion of the Board that that mode of doing it is the best?—I cannot say that it is in consequence of the opinion of the late Committee; it is in consequence of the desire to compromise matters, and reduce the opposition to the Board of Works Bill.

568. I want to understand in what way it is considered a compromise; it is a concession to whom?—The main compromise is, of course, the compensation.

569. I want to know how this change in the incidence of cost can be considered a compromise?—I do not think that can be considered a compromise; it is rather a variation or an alteration in the views of the Board from what has been ascertained by a more close examination of the records of the late Commissioners; they found that before 1848 it was a permanent custom to make every frontage owner pay the costs of raising his wharf walls, therefore it is desirable to ask Parliament to revert back to that principle.

570. This change of the incidence of cost is in consequence of the Board having to give further consideration to the matter, and thinking that is the best mode, and is not in consequence of the

conclusion of the Committee of 1877?—No, it is not so.

571. One word with reference to compensation; the principle of compensation was included in the Bill of 1877, was it not?—Yes.

572. And you say that you consider that the compromise which you offer is the compensation under the Bill of 1879; then in what way is the compensation under the Bill of 1879 more a compensation than it was under the Bill of 1877?—Only that the compensation under the Bill of 1877 was payable by the local boards and district boards, and assessable over the area of benefit, or as they thought fit under their powers of discretion. Under this Bill it is payable by the Metropolitan Board of Works, and chargeable to the whole metropolitan area.

573. Then there is this concession to the local boards, that the Metropolitan Board of Works undertake to levy the compensation money upon the whole of the metropolis, whereas under the previous Bill it was simply upon the local area?—Yes.

574. Does that affect the interests of the party compensated; do you consider that he is more or less likely to obtain compensation now?—He is much in the same position as he was in before.

575. Have you, in any other of the powers which are given to the Metropolitan Board for carrying out this great object, namely, the proper management of the metropolis, the same discretion given to you that you now claim under this Bill?—Under the original Act of 1855 the Metropolitan Board was bound to charge the expenses which they incurred according to the area of benefit; then by the next Act that was passed the clause which required that was cancelled.

576. I am afraid I have not made myself understood. I am now going to the powers that you have of compelling things to be done, and especially to your answer, in which you said that you thought it inadvisable to have any appeal; what I want to know is, have you for other purposes, and do you use for other purposes, a similar power to that which you are now claiming under this Bill; a power without appeal?—There is the main drainage: there is no power of appeal given in the Main Drainage Act; there was no power of appeal given in any of the Embankment works; and the Board has always been entrusted by Parliament with full power and authority to exercise its own discretion. I do not think that there is a single improvement which Parliament has ever given in which there has been any question raised.

577. Take the Thames Embankment; there you interfered a great deal with private property?—Yes.

578. Was there no appeal?—There was no appeal.

579. There were very stringent clauses put in for the protection of the rights of private parties?—

580. Mr. Birley.] Is compensation more explicitly given in this Bill than it was given in the Bill of 1877?—It is more explicitly given, because in the Bill of 1877 it took the words of the 69th section entirely; those are only words giving compensation.

581. The Chairman.] Under the Bill of 1877 you had the form of compensation of the general Act; that was a jury, I suppose?—It would practically fall under the Lands Clauses Consolidation Act.

[The Witness withdrew.
[Adjourned to To-morrow,
at Twelve o'clock.

Thursday, 1st May 1879.

MEMBERS PRESENT:

Mr. Birley.
Mr. Maurice Brooks.
Mr. Alexander Brown.
Mr. Chamberlain.
Sir Charles Dilke.
Mr. Wilbraham Egerton.

Viscount Emlyn.
Mr. W. E. Forster.
Mr. Goldney.
Sir Trevor Lawrence.
Sir Baldwyn Leighton.
Sir James McGarel-Hogg.

The RIGHT HONOURABLE W. E. FORSTER, in the CHAIR.

Sir JOSEPH WILLIAM BAZALGETTE, C.B., sworn; Examined by Mr. O'Hara.

582. ARE you Engineer to the Metropolitan Board of Works?—I am.

583. And you have held that office for many years?—About 30 years, to their predecessors and themselves.

584. Have your official duties made it necessary that you should make yourself acquainted with the condition of the Thames and its tidal phenomena?—Yes, they have.

585. And also with the property on the river side within the metropolis?—Yes.

586. Did you, in the year 1856, prior to the main drainage works, make a series of experiments upon the ebb and flow of the tide in the Thames?—Yes, I did.

The *Chairman*.] You are only asking precisely the same questions that were begun with in 1877.

587. Mr. O'Hara.] I do not wish to go over the ground which the witness travelled over last year. (To the *Witness*.) Did you, on the 4th of January 1877, make a report to the Metropolitan Board of Works as to your examination of the Thames?—On the 4th of January.

Mr. Wilbraham Egerton.] That Report is at page 31 of the evidence.

588. Mr. O'Hara.] Just so. (To the *Witness*.) Have you caused inspection to be made of the several wharves, to ascertain how far the recommendations which the Board made in 1877 have been complied with?—I have.

The *Chairman*.] I think you might ask Sir Joseph Bazalgette whether he sees any reason whatever to modify any statement that he made in his evidence before the previous Committee.

589. Mr. O'Hara.] Your evidence given on the occasion when the Bill of 1877 was under consideration is now before this Committee. Do you wish to qualify or alter any of the evidence which you there gave?—I would state that since making that report I have again made an inspection of the banks of the Thames, and have found that some few other owners have raised their banks to the required height.

590. I believe, in 1877, that you stated to the

Committee that you had required the owners of the property along the banks to do certain works. You stated then that a certain number had done the works, and you wish to add now that certain others have since done the works?—I do, and to state that out of about 1,000 persons who had to raise the banks of their premises, about 600 have now done so, and about 400 still require it to be done, that is, leaving out some cases where there is a certain amount of protection, but of so temporary a character that we have disregarded it.

591. Sir Baldwyn Leighton.] Do we understand that that is since 1877 or before 1877?—Since 1877.

592. All these works have been executed since the Committee sat in 1877?—No, that is not so.

593. The *Chairman*.] Could you say the number of owners that have executed the works altogether?—The number is 600.

Mr. O'Hara.] Out of a total number of 1,000.

594. The *Chairman*.] Including what length of frontage?—Including a considerable length of frontage. I am going now to mention some of the principal owners who have constructed works, and to speak of the general character of these works. I shall take shortly the more important ones, and then contrast them with the still more important ones remaining to be done. Out of the 600 owners who have done the work, I find that there is a long length of river bank, 2,000 feet in length, at Fulham, including the "Bell and Roebuck," with market garden and orchard adjoining; there is another length of 3,500 feet of embankment raised to the proper height at Fulham from Craven Cottage along the Fulham Palace grounds to Pryor's Bank; then there is another length of about 3,500 feet from Bridge-street, Fulham, to Broomhorne-lane; then the Millwall Dock Company have raised their banks over a length of about a mile and-a-half.

595. The *Chairman*.] Is that since 1877?—The whole of these have been since the flood of 1877, since the notice sent to them by the Metropolitan Board of Works. The Union Docks at Millwall have raised their frontage about 1,000 feet by an earthen bank. The London

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and South Western Railway at Nine Elms, which, in point of fact, was the worst place of the whole, and where, because it was not of sufficient height, so much damage was done to the poorer classes, have raised their frontage for a quarter of a mile; that work has saved the recurrence of an immense amount of misery which occurred from the flood early in 1874. The Surrey Commercial Docks, round their docks have raised earthen banks to the extent of seven miles all round the docks. The London, Brighton, and South Coast Railway have raised their wharf, by timber and stone, about three quarters of a mile. The Royal Victualling Yard at Deptford have laid down baulks of timber, bringing the wharfage to the required height for a length of 1,700 feet. The General Steam Navigation Company have raised theirs for about 700 feet at Deptford, in brick and concrete. Down's Wharf, Commercial-road, Lambeth, have raised about 300 feet of timber dam across the wharf, partly movable. Seven hundred feet have been raised at Church-row, Battersea, including the Phoenix Wharf and Plumbago Works. Cotton's Wharf has been raised partly by blocking up openings and partly by movable slides to the openings to carry on their business. Wood's Wharf and Cory's Wharf have been raised, and I have a drawing here showing what has been done at Cory's Wharf. At the last Committee, Messrs. Cory appeared as opponents to the Bill, and represented to the Committee that it would be impossible to raise their wharf without interfering with their business, and so interrupting it as to be destructive to it, consequently we got out a plan showing how it could be done without interrupting their business, and the result has been that they have carried out our plan since, and they do not appear here as opponents on the present occasion, but, on the contrary, they will be ready to come here and say that it answers perfectly well, and saves a great deal of mischief. This is the way in which it has been done (*producing a plan, and explaining it to the Committee*).

596. The *Chairman*.] The coal was taken on the backs of the coal-heavers before, so that there is no alteration?—Yes.

597. Sir James M'Garel-Hogg.] What is the cost of it?—I cannot say exactly the cost; it would be very small, and certainly less than the cost of attending here to oppose this Bill. The height of the wall is 2 feet 6 inches.

598. Mr. Goldney.] That has actually been completed?—Yes, and it is the type of similar cases.

599. The one you referred to in the drawing is actually completed, and has been found to answer?—Yes; that represents what actually exists now, and which is said to be exceedingly satisfactory.

600. Mr. Wilbraham Egerton.] Brick wall is rather more expensive than the wood hoarding proposed by the promoters of the Bill, is it not?—The brick wall is cheapest here, per cubic foot; the brick-work is the cheapest. Then the West Kent Wharf has been raised, having 30 openings, some raised in brick and some fitted with slide-boards. Rennie's Wharf has had 200 feet run raised in concrete, which is again cheaper than brick-work, and quite as efficient. Concrete is from a half to two-thirds the cost of brickwork, and is quite as good. Those are just a few of the principal cases where the work has been done.

601. Mr. O'Hara.] Can you state, for the information of the Committee, how many of these 600 persons have done their works since the decision of the Committee of 1877?—The flood that did the mischief, you remember, took place on the 2nd of January 1877; it was early in January that they were requested by the Board at once to do the necessary works. The great bulk of these people did their works at that time, and before the Committee of that year sat; the Committee must have sat later in the spring, and the great bulk of these works were done then. I cannot distinguish between those works that were done before and those that were done afterwards; but I reported at that time that the number then done was two-fifths, so that one-fifth more have done the work since then.

The *Chairman*.] I suppose no work of any importance had been done before 1877?

602. Mr. O'Hara.] Had any of the owners done any work of importance before the flood of 1877?—Yes, many of the owners had raised their walls before 1877, but none of them to a sufficient height.

603. And they have done it of their own mere motion, and without any notice calling upon them to do it by the Board?—Yes, many of them have done so for their own protection, but mostly not to a sufficient height.

604. Can you state what is the proportion of the frontage to the river that is now occupied with the works of these three-fifths of the owners?—I cannot give that length in a straight line along the river, because some of these are docks running in from the river, and you have to go round the docks; but it is all a river frontage, although passing inwards; it is a frontage to which the river has access. I was going to continue my answer by saying that, in those cases which I have named, there is a frontage, although not directly along the river, of about $11\frac{1}{2}$ miles done; that is not the whole that are completed, but only the larger cases that I have selected from the whole.

605. Eleven and-a-half miles of frontage are now occupied by works, that is, since 1877?—No, that is not exactly the case; I have picked out the more important cases to draw the attention of the Committee to, and those cases alone include $11\frac{1}{2}$ miles of frontage; but there are a great number of others with small lengths of frontage, which will make up, I have no doubt, more than double the length I have given. I should say that there is a great deal more than half the river protected.

606. The *Chairman*.] But, looking at that plan, taking both sides, there appears to be 42 miles of frontage?—Yes. Then in that 42 miles, first, you must take a large proportion that was originally of a sufficient height, then another very large proportion who have raised them to a sufficient height, leaving but a very small proportion requiring still to be raised.

607. It would be a great convenience to the Committee if you could give a fairly approximate estimate of the amount of frontage that still has to be dealt with?—It is a very difficult thing to do, but we might in two or three days, probably, whilst the Committee are sitting, give something like an approximate statement.

608. The importance of it is, that it really concerns what we have to deal with?—Yes. I can give the Committee some idea of the most important portions that remain to be done now.

First,

First, there is the Chiswick Mall that was mentioned.

Sir *Charles Dilke.*] Chiswick Mall is not in the metropolis. There are three Malls.

609. Sir *James McGarel-Hogg.*] Are you going down the river-bank regularly on one side?—No; I was taking the more important works to show what has been done. This Bill is made up of such small works. There are wharves that only want slides put in, which can be put down at a cost of five or seven pounds each. It is made up of such small matters, that I wanted to save the time of the Committee by showing what are the principal things to be done under this Bill. The others are made up of little slides to openings and small works, which may represent a considerable benefit, nevertheless, to the wharf property. There is the Mall at Chiswick, where they had to raise the wall and parapet for 200 feet in length. The Chiswick Mall is at the boundary that is to raise the road at the boundary so that the flood may not flow over from outside the metropolitan area to inside the area. Then, at the Upper Mall at Hammersmith, there is 975 feet of wall to be repaired and raised, and it will cost 632 *l.* I may say that a considerable portion of that money will have to be expended in the repair of the wall. It is very much out of repair, and would not do to build upon without rebuilding some of the wall. It has been spoken of as being a public work; but I believe that Mall to be a private road, there is a chain put up at the time of boat-races and at other times, to prevent the public going upon it; and I believe it will turn out to be a private obligation. Then there is Creek Wharf, 480 feet run at a cost of 538 *l.*; then the Lower Mall, 530 feet of the parapet wall has to be repaired and raised in the same way as the Upper Mall. The distillery at the south-east corner of the Chancellor-road is very much out of repair; they have allowed that wall almost to tumble down in places, therefore the cost of repairing and raising it to the proper height will be 1,720 *l.* There is some vacant ground at Fulham, where 140 feet will have to be raised at a cost of 1,750 *l.*, and there I would say that my estimate of 1,750 *l.* very largely exceeds what it would cost the owner to do that work, and for this reason if the public have to do it, we shall have to get the earth, bring it from a distance, barge it there, and put it on the bank, and strengthen the bank, and we cannot do it at a less price than 6 *s.* per cubic yard; but the owner of that land can do as many of his neighbours have done, either have a shoot upon his waste ground upon which to deposit the earth brought by barges, when he has only to remove it and put it upon the bank, or he can make an excavation at a little distance from the foot of his bank and take the stuff out and so put it upon the top of his bank, and he can do that quite well at 2 *s.* a yard; that would be an ample price; therefore it is clear if he does it himself, he can do it at one-third the cost that I can do it at; that is the case wherever earthen banks are required to be raised.

610. The *Chairman.*] As you go through these cases, would you say whether the Metropolitan Board of Works would have to get them done by the owners, or by the vestries or district boards?—I think every case that I have named up to the present time would have to be done by the owners.

0.89.

Mr. *O'Hara.*] After what fell from the Committee about the distance of frontage that still has to be covered, and the distance that has been covered with works, I have made arrangements so that on Monday morning you shall have all the approximate estimates of the amount covered, and the amount to be covered.

The *Witness.*] Then I come to Steel's market garden, where there is a long bank to be raised 2,550 feet, at the cost, if done by the public, of 1,533 *l.*; Craven Cottage has 985 feet, at a cost of 538 *l.*

611. All these costs that you are putting down are the costs at which you estimate the work would be done by the Board?—Yes.

612. Does your statement that these works might be executed by the owners at one-third the cost, extend to those works as well as to those to which you applied it?—Yes, it does; these are earthen banks along the river, and it extends to all these. There is an open space on either side of Pimlico Pier requiring to be raised 320 feet, at a cost of 500 *l.*; then at Limehouse Cut there is 720 feet requiring to be raised, at a cost of 754 *l.* The Great Eastern Railway Wharf and the River Lea, 890 feet, at a cost of 458 *l.* The Royal Arsenal at Woolwich, at a cost of 3,500 *l.* Durrant's Wharf, a timber baulk to be laid along 660 feet, at a cost of 500 *l.*; and the Railway Wharf, 1,250 feet, at a cost of 1,164 *l.*; gates to the River Wandle, at a cost of 673 *l.*, that would have to be done by the district board. The Union Brewery at the Wandle, and earthen bank and brick wall, 500 feet, at a cost of 532 *l.* Then the waterside premises at Wandsworth, just above the new Wandsworth-bridge, 340 feet, have to be raised at a cost of 1,800 *l.*, that is for the protection of some most wretched cottage property.

613. That is the roadway at the waterside?—Yes, those houses are so wretched, that they want to be pulled down, in fact. Then there is Princes Dock, Rotherhithe, 805 feet, at a cost of 588 *l.*; the Horseferry dry dock and yard, 675 feet, at a cost of 450 *l.*; the London Tramways Company, Deptford Creek, 400 feet in length, at a cost of 410 *l.*; Hill's Chemical Works, 700 feet, at a cost of 456 *l.*; Normandy Wharf, 290 feet, at a cost of 940 *l.* Now I believe that enumerates really all the larger and more important works, the total cost of which is 20,000 *l.*, and a total length of 3½ miles.

614. The *Chairman.*] I observe that in your evidence before the Committee in 1877, you had much hesitation in giving any estimate of cost?—I had.

615. I suppose that now, with the information you have obtained since, you are better able to give an estimate?—I am able to give a pretty accurate estimate of the works which I now propose; but I have not been in communication with the owners of the various wharves to consider with them the nature of the business they carry on, and whether those works are really the most convenient works for their business; and what is proposed in the Bill is that we should propose to them to do these works, giving them time to consider them, let them have an opportunity of pointing out to us if they object to them, and, if so, the grounds of their objections; then go into the matter afresh, and consider the objections, and see whether the works can be modified, so as

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to meet their objections, and if they can be, that would be very important, because if they can be made so as to interfere less with their business it would reduce the cost of compensation, and, if they cannot, then to serve them with a fresh notice and fresh plan, requiring the work to be carried out in such a manner as may be determined on.

616. With regard to the cost of actual erection, putting aside compensation, can you, without pledging yourself to abide by it, give the Committee what you believe to be the maximum of the cost?—Yes, the total cost of what we propose to do, if done by a public body, would be 55,500 l.; the sum of the estimate that I have given, if done by the owners themselves, would be considerably reduced.

617. Mr. O'Hara.] But the Board would only do the work on default of the owner?—Clearly, the first thing to do is to call upon the owner to do it.

618. But if the Board have to do it for the owner, and recover the cost from the owner, it would cost the owner a great deal more than if the owner did it himself?—Yes, it will in very many cases, in some cases perhaps not.

619. Therefore the owner would have a decided interest in executing the works?—Yes.

620. Viscount Emlyn.] Does the 55,500 l. include the whole of the works to be done by the Board?—The whole.

621. The Chairman.] Not merely those cases you have given us, but the whole?—The whole. If that 55,500 l. were laid out, the whole of those cases which we propose would be raised to the proper height.

622. Mr. Maurice Brooks.] That will not include compensation?—No, simply works.

623. Mr. O'Hara.] If you conferred with the owner, and heard his objection to any work suggested by you, you would endeavour, as far as you could, to meet his views?—Yes.

624. And so reduce the compensation and the expense?—Yes, that is my great fear, that without a conference with the owner, we might do the works, and he might come and say, you have done work which entirely interrupts my business; and, I have, therefore, a very heavy claim against you for compensation. If we communicate with him, and he has pointed out the most convenient way of doing it, we can tell then what his view is, and it will materially reduce the cost.

625. You would like to know the way in which he carries on his trade?—Yes.

626. So as to make the easiest works?—Yes; that we should point out the difficulties, if any, in the works as suggested.

627. There are certain trades carried on along the river frontage, some of which would be materially interfered with by the raising of the wharf wall?—Yes.

628. Would you explain to the Committee the case of the coal wharves?—In cases of coal wharves, if you raise the wharf, the barge is brought alongside the wharf, and at low water it sinks down along the foreshore broadside on to the wharf, and a plank is laid from a barge on to the wharf; then, if you raise that wharf two feet in height, that plank becomes so steep that the men cannot walk up it, and it would interfere with their business. There are many cases of that kind where you load from barges on to the wharf, and it would be very inconvenient to raise it, then we propose to raise it excepting at such

places where the plank would have to be laid, and there to leave openings with slide-boards to put into them.

629. The Chairman.] You were present when Mr. Cripps gave his statement, that was leaving a gap similar to the plan he produced, I suppose?—Yes.

630. Mr. O'Hara.] Would a sack, by a contrivance of that sort, have to go up any further than it would at present?—No, it would not.

631. Will you explain the level of the floor of the waggon and the level of the footway?—This (producing a drawing) is the case of Matthew Shaw and Company, who have raised their wharf to the required height, by lifting the stone coping and putting under it three or four courses of brickwork, and leaving in the line of the wharf two openings or gaps with grooves for slide boards to be put into them, so that during business hours they have the wharf for their practical purposes at the lower level; and after business hours, if those slides are put in, they have them at the right height, but there is nothing to prevent flooding. It would be necessary to have some general control over those slide boards, so that there should be some regulation requiring them always to be in, excepting when business is being carried on, otherwise when a flood occurs, the tide board is lost (we saw many instances of that kind) and the protection would not take place.

632. The Chairman.] Does that imply that you should claim the right of entry to see that they are in?—What we should propose would be that in case of the tide board being left out after business hours, there should be a fine imposed upon the persons; they put up the tide boards just as they would their shutters when they leave business.

633. Do you consider that if the boards are left out during business, that should be sufficient guard against the river?—I think so; because so long as people are about they see the tide rising, and for their own protection they will put those boards in.

634. Sir Baldwyn Leighton.] Would not a short chain, fastened to the place, and another groove to draw the board back in, so that it cannot be removed, be sufficient?—We propose one class of cases, where it will be raised above, and when the slides are put up it will fall down into its place, but there are some cases where there is no gibbet, and there it might slide in at the back. This is a model shown to the Committee yesterday; there is no difficulty, but where that does not exist it might slide back here and be kept back here, like a shutter (explaining the model to the Committee).

635. Sir Baldwyn Leighton.] But I mean that it could not be taken away?—There is no difficulty about it; then if you can secure it being there, except at business times, you prevent floods.

636. Mr. O'Hara.] Are there any other cases which you would think fit to mention to the Committee of interference with particular classes of trades?—That model was where they shot into barges. There is a plan showing where two owners have done it and one has not done it. I will point it out to the Committee (a drawing was produced). Here is the case of Ward's Wharf, Thames Dock Granaries; there is a dock passing in from the river, and the tide flowed over the whole of that dock. It belongs to three owners; one on this side owning the building, and one

on the east side. Now the owner on the west side has put up a board for his protection, and he has put a slide in for that board opposite the crane to enable him to carry on his business just as we describe. The owner of the building has put dwarf walls round his building, with sliding doors, just as we propose, but the owner of the dock on the west side has not raised his side of the dock, and the consequence is that the tide will now, in spite of all that has been done by the two adjoining owners, flow over the wharves and down into the streets, and do a great deal of mischief; that is where we propose to make the owner on the west side do what the other has done.

637. *The Chairman.*] Unless the owner on the west side does that which the owner on the east side has done, the others have spent the money to no purpose?—Yes, it would not protect their own premises, it would flow all round and into the street.

638. *Mr. O'Hara.*] Notwithstanding that these two gentlemen have done works to protect themselves, unless they can compel the third man to do his work they will still be flooded?—Yes; that is not a solitary case, it is the type of many others.

639. Are there any other instances of that sort that have come within your knowledge?—Yes.

640. And do cases of that sort indicate to you the necessity of some general controlling authority to see that these works are done throughout the metropolis?—They do; and I may mention another case, it is a case on the north side. I think, in Fulham, where the owner has raised his bank in one place 2 feet 6 higher than is necessary, but in another part his land is unprotected, so that really all that is required to be done is to take a little of the earth off at one place and put it upon the other, to make it complete, but as it is left it is inefficient. There, again, it is necessary to have some supervision to see that the thing is kept up to a uniform height. Then there is another class of case at Putney from Beverley Brook downwards to Wandsworth; the Beverley Brook forms the boundary of the metropolitan area on the south side, therefore one side of Beverley Brook would have to be protected, but it is not necessary to do any work there for this reason. If the bank were formed there, it would prevent its overflowing. It wants raising now. If it is left as it is only floods some fields here, and there is no harm; therefore we do not propose to do anything there. Then we come along the bank of the river, and this line shows the height to which extremely high tides, such as occurred in January 1877, would flow if allowed to flow over the banks. To the vacant ground no harm would be done by the tide overflowing. When we come to the Leander Boathouse, if we put up a bank in front of that we should stop their business altogether; they want boats to come down to the river, and they want free access to it; they have themselves small slides in the doorways to prevent the high tides coming in, and that is all sufficient. Then there are some cottages here, where the tides might flow over the vacant ground, and get into those cottages; we put a small bank across the valley there, and therefore, for about 5 l., a large amount of frontage is made secure from the high tides; there are some stairs here which have been raised in that way already.

941. *Sir Baldwin Leighton.*] Is that done, or is it proposed to be done?—It is required to be 0.89.

done; when you get up to the nearest road that crosses Beverley Brook, the height is sufficient to prevent the high tide from flowing over it. I will now show the Committee how we deal with the Wandle (*producing a plan*). The Wandle, after passing through the town of Wandsworth, passes into the river near these marsh lands; there are two branches of the Wandle; one is a navigable canal, which is *this* up to Wandsworth, and the other is the mouth of the River Wandle, upon which there are several mills and no navigation. What is proposed to be done is to raise the parapet wall on the east side of the navigable canal up to the Causeway Road; from the Causeway Road up to Red Liver Street is a kind of rough cartway, which leads to the wharves and the dock; that cartway is not quite high enough, and we propose that the owner should raise it, putting a little more stuff in it to make it higher; that would give protection all along the east side. There is another little piece of camp-shedding to be done, and it then gets to a sufficient height to prevent any flood coming over that side.

642. *The Chairman.*] Is all that within the Metropolitan Board of Works District?—It is. All these works will be divided amongst a number of owners, having a large frontage, just the same as in the front of the river. On the west side of the osier bed it would be necessary to raise the bit of parapet wall shown by the hard line, round the margin of the osier beds; we are going to raise the banks and let the river overflow the osier beds, and simply protect the property that requires protection; and to do that we make earthen banks and bits of ground all round them, raising them a foot or two feet, as the case may be, until we come round to the upper end of the causeway, and there we put in a tide gate; that tide gate will be done at the cost of the district board, and the effect of putting in that tide gate would be that the tide, wherever it was higher than the water in the River Wandle, would close the gate, and therefore would not flow up any higher.

643. *Sir Baldwin Leighton.*] What would be the cost of that gate?—£.673. The Wandle is a good deal flooded above that from rainfall; those floods would not be impeded at all; that gate would give the same room for the floods to get off, because it would keep so much tidal water out of the river, and give so much reservoir space for the flood waters; but the object is not to deal with that, but simply floods caused by the overflowing of the tide.

644. *The Chairman.*] Will you interfere with the mills at all?—Not in any way; the mill-owner at the lower mill was under the impression when he heard of our Bill and saw the notice, that we should interfere with him, and he came and saw me, and I gave him an explanation of what we were going to do, and he was satisfied.

645. *Mr. Alexander Brown.*] There is no navigation beyond those mills, is there?—No, no navigation.

646. *Mr. O'Hara.*] You have endeavoured as far as you can to survey and ascertain the exact position of the wharves all down the river?—Yes, every bit of the frontage within the metropolitan area.

647. Just as an illustration of what you have done, will you show this map to the Committee (*handing a map to the Witness*). Have you made a similar plan to that, so that you have plans of both sides of the river?—This is a section from

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Sir J. W. Greenwich Hospital up to a little above Waterloo Bridge on the south side; I have a similar section of every portion of the river within the metropolitan area, and upon those sections are reference numbers in blue, and I have served each Petitioner with a copy of this, and a statement of what is proposed to be done, so that any counsel who wishes to cross-examine me upon any particular point, if he will mention the number upon his plan, I can at once identify the property, and give him all the particulars about it.

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648. The *Chairman*.] Have you got here the plans of the Hammersmith Mall?—Yes; the metropolitan boundary crosses the Hammersmith Mall; the level of the road there is 13½ feet above Ordnance datum, and we propose to raise it five feet above Trinity, or 17½ feet above datum, by having the slope up and down again. Then when we come to the Hammersmith Upper Mall, which requires protection, the brick wall of that Mall is in a very dilapidated condition; it was suggested that that Mall was a public thoroughfare, but it can only be approached by a footway nine feet in width, and on the west side the exit is only 10 feet wide, and as I have stated already, a portion of it is private property.

649. Sir *Charles Dilke*.] You know that that is disputed?—They put up a chain at the present time on the occasion of boat races; of course, I pass no opinion about that; there is a new road being formed now through private property, for the purpose of opening up the land.

650. The *Chairman*.] Supposing your work was completed would it cease to be a path?—It would not affect it at all one way or the other so far. Here is the wall on the outside of the Mall; that wall is in a dilapidated condition; I would have that made a good wall. Then on the top of that I would raise the parapet a foot or 18 inches higher, so that it would not be affected beyond that repair or that elevation.

651. As to these works relating to the Hammersmith Mall, what would be the cost of what you propose?—£. 632.

652. Would there be any claim for compensation?—I should apprehend not; but I cannot say that.

653. Mr. *Wilbraham Egerton*.] Were the houses facing the Hammersmith Mall flooded in the flood of January 1877?—No, I think not. I think those houses are raised above the level of the Mall; they have steps up to them, and the gardens fall down to the Mall.

644. Then the owners of the houses there are not much interested in raising the wall?—No.

655. Mr. *Chamberlain*.] Do you know by whom the Mall is kept in repair?—I cannot say; there is something to be done to the lower Mall as well.

656. Sir *Charles Dilke*.] Can you produce a plan of the Fulham side. This is grass land?—Yes. (*The Witness produced a plan.*)

657. This is grass land upon this plan up to Fulham Bridge?—Yes.

658. The *Chairman*.] Supposing the Fulham District Board carried out the works you wish them to do, about what would be the cost?—£. 10,000.

659. Sir *Baldwyn Leighton*.] Does that 10,000 £. represent a portion of the 55,000 £.?—A portion of the 55,000 £.

660. And it might be done for less by the owners?—Yes, it might be.

661. Sir *Charles Dilke*.] What is the cost for the Wandsworth district?—£. 9,300.

662. The two together would be more than 20,000 £.?—Yes, that is if the works are done at the public cost.

663. The *Chairman*.] Has there been any damage by floods for the last 10 years upon house property in Wandsworth?—Yes, in the great flood in 1877 there was a great deal of property flooded there. Those cottages to which I referred above New Wandsworth Bridge were all flooded at that time; the floods rising nearly to the roofs of the lower basements, two-thirds of the way up, driving the people out. Then at Wandsworth, in the bay at the mouth of the Wandle, there was a good deal of property flooded.

664. Mr. *O'Hara*.] What is the duration of these high tides against which you desire to provide when they come?—They are very uncertain, and they are produced by an uncertain state of things. These extraordinary high tides have only been occasioned, as explained very ably by Mr. Law in his evidence of 1877, by a combination of extraordinary circumstances; and when they do arise, they are of very short duration.

665. What is the average duration?—I have not worked it out, but I should say from an hour to an hour and-a-half; something of that kind.

666. And that is about twice a year?—The equinoctial tides, which are the highest tides, occur twice a year, but an equinoctial tide will not flood this property entirely.

667. The *Chairman*.] Looking at the diagram handed in in 1877, what is the height below which you consider there is no danger?—We propose to embank to a height of six inches above the highest flood that ever occurred; the highest flood that ever happened was that of 1875, which was 4 feet 6 above Trinity high-water mark.

668. My question is this: what is the height up to which there may be a full river without your having any necessity to guard against it?—Taking the existence of certain temporary works, if those works are kept in order, and certain tide boards were put in at low places, then you might have the tide up to 3 feet 6 inches above datum, without doing any harm.

669. This diagram shows two cases, and only two cases, since 1833, in which the river has risen above 4 feet?—That is so.

670. How long was the river above 4 feet in those two cases?—I should think from an hour and-a-half to possibly, in the extreme cases, two hours before it fell.

671. Mr. *Alexander Brown*.] When once a tide gets over, it may remain on the back premises some time?—Yes, certainly if it gets over the frontage; sometimes there are cottages at a much lower level than the frontage; when it once gets over that it pours into the places and fills them up nearly to the ceilings.

672. Sir *Baldwyn Leighton*.] And can only escape through the sewer drains?—It escapes mainly through the sewer drains.

673. Sir *James McGarel-Hogg*.] Many of them had to be pumped out by the fire brigade engines, had they not?—Yes, when they had not communication with the sewers.

674. The *Chairman*.] I suppose the high tides make no difference in the docks, do they?—The docks are mostly protected.

675. Mr. *O'Hara*.] Have you considered the petitions against this Bill?—I have.

676. I will not take you through them in detail.

detail. I will ask you generally a few questions upon them. Take first the petition of the Gas Light and Coke Company, do you propose to interfere with their premises in any way?—We do not propose to interfere with any of their premises at all.

677. Then, so far as they are concerned, the only injury, if any, that will be done to them, will be the metropolitan charge that will be put upon them for compensation?—Yes.

678. Perhaps you will take the case of the wharfingers?—Will you allow me to give it you shorter from my own remarks. In the case of six of the petitioners, no protective works are required to be done. The Millwall Dock Company, the St. Katherine's Dock Company, the London Dock Company, the London Gas Company, the Gas Light and Coke Company, London, Chatham and Dover Railway Company, and Mr. J. Hall.

679. As far as those six petitioners are concerned, you do not propose to interfere with their works at all?—No. Then in the case of the Surrey Commercial Dock Company we propose an expenditure of about 100*l.*; in the East and West India Dock Companies' case we propose an expenditure of 500*l.*; in the case of the Great Eastern Railway Company we propose an expenditure of 830*l.*; in the case of the South Eastern Railway Company we propose an expenditure of 63*l.*; in the case of the Phoenix Gas Company an expenditure of 83*l.*; and with regard to those, I make the same remark as I have made before, that if they had made that expenditure and protected their works, it would have saved them money instead of coming here to oppose. George Fergusson, two wharves, 180*l.*; the owners of eight wharves and warehouses of Beresford Brothers, an expense of 400*l.*, out of eight wharves, of which two require no works. Messrs. Williams, Bloore, Elmslie, and others, representing 29 wharves, of which 17 require no works. Of the others remaining, 12 require between them an expenditure of only 787*l.*

680. Is that a fair summary of the different persons who have petitioned?—Yes, that is so.

Cross-examined by Mr. Richards.

681. Now on behalf of the Conservators I will not trouble you with any of the Acts of Parliament, but you recognise the Conservators of the River Thames as the owners of the bed, soil, and shores of the Thames, under their Acts of Parliament, do you not?—Quite so.

682. And you have applied from time to time for their consent to erect works which interfere with the bed, soil, and shores of the Thames?—Yes, whenever we make works that project into the Thames we apply to them.

683. And you have, in fact, in the case of the Victoria and Albert Embankments, paid sums of money to them for permission to interfere. You paid money in the case of the Victoria Embankment, did you not?—I think not.

684. Mr. Richardson said he thought you did?—Mr. Richardson said we paid to the Crown, and the Thames Conservators got a portion of what was paid to the Crown.

685. The Conservators receiving two-thirds. You tell us that you do not intend by this Bill to interfere with the bed, soil, or shores of the Thames?—That is so.

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686. But the powers of the Bill enable you to do so, though your present intention is not to do so?—I believe they do.

687. I want to ask you this: do you know the place called the Saltings, at Fulham?—Yes, I know there are Saltings there.

688. Do you not propose to make the owners carry, or yourself carry, a wall, so as to cut off a portion of the present bank?—There are several Saltings; perhaps you will give me the reference number.

689. B. 104?—I have it.

690. Is it not the fact that you propose to carry the embankment wall, or whatever it may be which is to keep out the flood, so as to cut off a portion of the river bank; you do not follow the line of the river bank?—What I propose there is to follow what has already been done. At the back of those Saltings there is a bank about 10 feet wide, and narrow at the top, and not quite high enough. I propose that the owner should raise that bank a little higher.

691. Will not the effect of it be to leave the Saltings that would extend between the water and the proposed bank to be washed away, and go into the river?—It will leave the Saltings exactly as they are now.

692. But that will be the effect, they will go into the river?—I daresay they are washing away to some extent as they are now; we shall leave them as they have been from time immemorial.

693. Can you tell me what I cannot think Mr. Richardson was correct about; how many square miles do you introduce into your Bill, and make your Bill applicable to by your alteration in and diminution of the River Thames?—I agree with Mr. Richardson that it would be a very small amount indeed, not amounting to a square mile. I don't know of any; it must be principally marsh land in the Wandle, the flooded lands and Deptford Creek.

Mr. O'Hara.] It is a pity we should get into discussion. We cannot understand. Does my learned friend suggest that by altering the definition of the "river," the area is enlarged?—It enlarges the frontage of the works to be done, but it does not enlarge the area of the metropolis covered by the Bill; it enlarges the frontage as far as the tide flows.

694. Mr. Richards.] Now let me call your attention to what you call the saving clauses of the Conservators, namely, Clause 15 and Clause 32. Do you agree that those two clauses limit the right of interference of the Conservators to cases where the navigation is interfered with?—I must look to the clauses. I do not carry them in my head.

695. Clause 15 is that, in order to preserve the navigation of the River Thames, plans shall be laid before the Conservators, to which their approbation shall be asked; am I not right in saying that those words confine the rights of the Conservators' interference to cases where the navigation is concerned and the navigation only?—I apprehend they do.

696. So, again, let me call your attention to Clause 32; there you will see, "Nothing in this Act contained shall extend or be construed to extend to prejudice or derogate from the rights of

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of the Conservators of the River Thames, or to prohibit, defeat, alter, or diminish any power, authority, or jurisdiction, which at the time of the passing of this Act the said Conservators did or might lawfully claim, use, or exercise, so far as such rights, power, authority, or jurisdiction may be exercised for the preserving of the free navigation of the River Thames." That confines it again to the navigation, does not it?—So it appears. I apprehend if we make any projection into the river, or any encroachment into the river, it may be held to be an interruption of the free navigation of the Thames.

697. That may or may not be; but what I want to ask you is, if it is not your intention in any way to interfere with the bed, soil, and shores of the River Thames, why do you limit in your saving clause the interference of the Conservators to cases where the navigation is interfered with?—It does not appear to me that we do so. In the first place, we do not propose to interfere in any way with the bed of the Thames; but, as I have already described, cases may arise where it may be necessary to make some alteration of the plans, and make some projection. If so, it appears to me that Clause 15 gives the fullest protection to the Thames Conservators that they can desire. "In order to preserve the navigation of the River Thames, the plan of any flood works to be constructed under the authority of this Act through, along, over, or under the bed or soil, or banks or shores, of the River Thames." There can be no projection and no interference with the Thames unless it interferes with the bank, or the bed, or the soil, or the shores of the river, in which case we shall have to submit plans to the Conservators.

698. Do you not agree that the leading idea in that Clause 15 is, aye or no, does it, or does it not, interfere with the navigation?—The leading idea is that any encroachment upon the tide or soil, or banks or shores of the Thames, is, or may be, an interference with the navigation.

699. I call attention to the Thames Embankment Act, Clause 75, because you seem to doubt whether you paid anything on that occasion to the Conservators. "An estimate shall be made of the amount of any diminution in value which may be caused by the works, by the Act authorised." "Of the rights and interests of Her Majesty, in right of Her Crown, and of the Conservators of the River Thames, under the Thames Conservancy Act, 1857; and the amount of such estimate shall be paid by the Board to the Conservators, to be applied by them according to the provisions of the same Act, by way of compensation for the rights and interests aforesaid." So that, though it was paid to the Crown, it was money applicable to the Crown and to the Conservators?—So I apprehend; you must bear in mind that in that case there was an actual interference with the piers of the Conservators, which are their property.

The *Chairman*.] It appears to several Members of the Committee that these questions are not directed against the preamble, but against particular clauses.

Mr. *Richards*.] I am directing them entirely against the preamble. Of course, in one sense, every opposition may be said to be a clause opposition, because if you give me every clause I ask for I shall be satisfied; but when you turn to the words of the preamble you find these words, "It is

therefore expedient that the said provisions should be amended, and that provisions such as are in this Act contained should be made for providing for the due execution and maintenance of the works necessary." I apprehend that those words clearly state in the preamble that all the provisions contained in the Act are essential and desirable to be passed.

The *Chairman*.] That is a very strong interpretation.

Mr. *Richards*.] I must submit to you, but I cannot readily admit that this is a clause opposition; it goes to destroy my right to property. This Bill utterly ignores the rights of the Conservators, but I am not going to ask any more questions on the subject. I only want to get our case before the Committee. You know how difficult it is to prove a case, entirely depending upon Acts of Parliaments, by questions to witnesses.

The *Witness*.] I would observe that the wording of the 27th clause of the Metropolis Main Drainage Act appears to be very much in the same terms as the clause now proposed. It is the 27th clause of the 21 & 22 Vict. c. 104, "No works upon the bed or shores of the said River Thames below high-water mark which may interfere with the navigation of that river shall at any time be commenced or executed under the provisions of this Act without the same having been previously approved."

700. This clause is copied from that?—Yes.

701. Are you aware that the Thames Navigation Conservators came into existence in 1857 for the first time?—Yes.

702. Scarcely a year before that Act was passed?—I heard you say so.

703. Are you aware that there is any other Act in existence where those words occur, except the Act of the 21 & 22 Vict.?—You must not take anything as to Acts from me.

704. You cannot point to any other Act?—I am not the person to do that.

705. Does it exist in any of the Embankment Acts?—I cannot say.

706. Now I go to the questions on behalf of the Gas Light and Coke Company. Mr. Richardson, in error, yesterday, stated that the Beckton Works of the Gas Light and Coke Company were altogether out of the metropolitan area; I have been informed this morning that the whole of the parish of Woolwich is within the metropolitan area?—Yes.

707. And a bit of the parish of Woolwich, part of the county of Kent, is to be found on the north side of the Thames, just a little below where the words "Northern Outfall Sewer" are?—Yes, the coloured portion.

708. And that coloured portion is where the Beckton Works are?—Yes.

709. And, therefore, the Beckton Works are in the metropolitan area, by the accident of Woolwich crossing the water?—They are within the metropolitan area.

710. Mr. Richardson seemed to think they were not, and I thought they were not so yesterday. You, however, tell us that you do not propose to do any works upon the Gas Company's lands at all?—No.

711. But I am right in saying that the works which you have now submitted in all good faith

to the Committee, are not the limit of the works which you may do. Under the scheme of your Bill you have power to alter your works hereafter, and call upon anybody to do the works which you have not already mentioned?—I have already explained to the Committee that we think it very undesirable to limit the works down to those.

712. So that when you say you do not touch the gas lands in any way, you mean as at present advised you do not touch them, but you reserve power to touch them hereafter; that is so surely?—Yes, we reserve powers, but there is no probability of our ever touching them.

Cross-examined by Mr. Collins.

713. Is it the fact that the tides are higher now than they were a few years ago?—It is the fact that since records have been kept there has been a tendency in the tides to rise in proportion as the river has been improved.

714. Therefore I may take it that the fact of the upper districts of the river being flooded is really due in some measure to metropolitan improvements?—Yes; to some extent.

715. To what extent?—That as the bed of the river is improved, and the tide is admitted, so there is a tendency in the upper river to flood.

716. That being so; the upper part of the river being liable to flooding to a certain extent on account of metropolitan improvements, why should not the whole of the metropolis pay at least a portion of the cost?—Because the river is a great highway, benefiting principally those persons who reside upon the side of that highway; and upon its banks, the wharves particularly are improved by the improvement of the navigation, and if the improvement of the navigation tends to the rising of the tides, it appears reasonable that those who derive the immediate benefit from that improvement of the river should keep up their wharves and protect themselves against the river.

717. Would not that apply pretty much to the case of a back street that was widened and improved; take some back street at Wapping, widened and improved?—The widening of a street is done for the through traffic.

718. But it principally affects those having property in the back streets?—The effect of widening a street is to destroy the property by taking it down.

719. That is hardly a proper answer, is it. It makes the rest of the property more valuable?—That is practically the result; you sacrifice the property for the benefit of the public.

720. You sacrifice a portion of the property for the benefit of the rest, do not you?—Yes.

721. Is it not a fact that the Metropolitan Board of Works have spent hundreds of thousands of pounds in widening small back streets in Wapping, Limehouse, and different parts of London?—No.

722. A very large sum?—Not any.

723. Think for a moment. Have not they contributed half towards the cost?—No; I think not.

724. Think for a moment, because Mr. Richardson said yesterday that they did. I gave him several figures which I will not trouble you with?—I do not know of such cases; perhaps you will call my attention to them.

725. Take the Limehouse district, 35,958 l. 0.89.

17 s. 7 d., is not that the half of 72,994 l. 19 s. 4 d. for local improvement in that Limehouse district?—No, I think not.

726. It is in the Blue Book of the 1877 Committee?—The Board have contributed to the more important of what are called local improvements. The principle has been pretty much this: where there is a large main thoroughfare it is constructed out of the general rates; where there is another work that does not quite come up to that work, but which is an important thoroughfare, then the Board contribute to them; but where they are simply local, then the district boards do them themselves.

727. I will take a few in the Limehouse district, where you have given 35,958 l. There is Salisbury-street to Katherine-street, that is a small back street, is it not?—I do not remember it.

728. New Crane, Shadwell, is not that a river-side street?—I cannot give you information about those.

729. Is it not the fact that at Limehouse there has been a very considerable sum of money spent in widening and improving small river-side streets over which the river flowed?—I am not aware of that.

730. Can you say it is not so?—No; it is not a matter that comes immediately under my cognisance.

731. Under whose cognisance would it come?—More immediately under the superintending architect of the Board.

732. And he is not here?—He is not here. However, I have stated the principle which governs the Board in those matters.

733. And the same in Southwark; the river-side streets there were contributed to?—You may take it that in all parts of the metropolis that is the principle governing them.

734. If that is so, why should not you contribute at least something to the improvement of those streets at Fulham?—Which streets at Fulham?

735. I will take the Mall?—I do not call the Mall a street at Fulham.

736. The Upper Mall, the Middle Mall, and Lower Mall, and the road on the river bank, are all highways, are they not?—If they are public roads, and if they do belong to the district board of Fulham, they are such roads as would be widened by the district board, and not by the Metropolitan Board of Works, because they would be under the principle which governs the boards, that if they viewed them as important public thoroughfares, they would be widened by them.

737. A sewer of the metropolis runs under one of them, does it not?—No, I think not; it is a district sewer.

738. A main sewer?—I think you are wrong; but even if it were, it would not alter the fact as regards the road.

739. Who decides that?—It is decided, if the case is raised, by the district board. It is discussed at the board and decided by the board itself, but there are pretty well-recognised principles; wherever there is a principle laid down, certain points will be raised which come very near to the margin of the principle, and then it is a matter for discussion; but in the cases now before us there is no doubt whatever.

740. Do you know that the Chiswick Mall, the Upper Mall, the Middle Mall, and the

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Sir J. W. Lower Mall, and the road on the river bank, are all repaired by the Fulham local board?—I am not aware of that; I thought with regard to the Upper Mall it was doubtful.

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741. Do you know that the sum you have charged for improving them, and keeping the river tides out, amounts to 3,576 *l.*?—You may take my figures. I will take that. A great portion of it is required for the repairs of the wharf walls themselves.

742. Mr. Wilbraham Egerton.] That is the estimate?—Yes.

743. Mr. Collins.] I suppose that the repairs of these works would cost something each year?—If they are properly done they would for many years to come require little or no repair.

744. But after the many years there would be something required?—Yes.

745. That would be another charge?—Yes.

746. Since 1877 can you say about how much has been done by the Fulham and Hammersmith owners?—Yes, without giving you a list of what has been done, I told you.

747. About one-third, I should think?—Much more. I told you about 9,000 feet.

748. The proportion which has been done since 1877 is only roughly one-third?—I should think much more. I think the works remaining to be done are more nearly one-third, rather than the works which are done; two-thirds are done, I think.

749. Are the plans which you now submit to the Committee the same as you submitted to the Committee of 1877?—Yes, pretty much the same.

750. Why is it, if so large a proportion has been done, that your estimate for the works in Hammersmith and Fulham in 1877 was only 6,300 *l.*, and now in 1879, after this amount of work has been done, is 10,854 *l.*?—I will give the reason directly. I must just look into it; it is necessary that I should compare what I proposed then and what is proposed now; we have not got the other estimate here.

751. You say in the Blue Book, at page 108, in Question 1545, "Taking the north side of the Thames, the work required is raising the walls; taking the Fulham district, it would cost 5,100 *l.*, in addition to which some of their existing walls are very much out of repair, and require to be prepared at a cost of 1,200 *l.*;" that is 6,300 *l.* in the total. I only want an explanation of that. Why, if more than one-third is done, you charge nearly double?—I cannot answer that until I have the details.

752. Are these details of any good, or are they mere guesses?—They are full estimates, all of them; they are not guesswork at all.

753. Why does it jump, with more than one-third of the work done in 1877, to double in 1879?—I cannot answer that question. I do not mean to say that there was any mistake in that estimate, because I do not know that; but that estimate was got out under very extraordinary pressure; it is possible that some property may have been overlooked.

754. But surely not more than double the amount. Just see what you are saying; more than one-third has been done since 1877?—I really cannot answer the question without the particulars; I suppose we can get them.

755. Now you charge 12,000 *l.* more; you only charged 6,300 *l.* in 1877?—I will endeavour to get that information for you, but I have not got it here.

756. There is some explanation possible, I presume?—I have no doubt there is.

757. Viscount Emlyn.] Does the one-third done at Fulham refer to the whole of the frontage required to be done at Fulham, or to one-third of the work required to be done in 1877?—I should say nearer two-thirds of the whole work required to be done at Fulham before the floods is done now; but I have not made the calculation; that is my impression from looking at those things.

758. Mr. Collins.] It is very difficult for me to cross-examine Sir Joseph Bazalgette. Part of his evidence I did not hear, and some other plans are coming in which I have not seen, therefore I am under some little difficulty.

759. You say these plans were pretty much the same in 1877. Do you call them now as you called them then, "patchwork plans"?—No, I do not.

760. You did in 1877?—It depends upon what you mean "patchwork" to refer to. If you mean the term to refer to the works themselves, they are good works themselves. If you take the whole river Thames, it is a piece of patchwork; it is not a uniform work, but is a number of pieces put together, of different kinds.

761. Is this still your opinion? At page 116 of the evidence of 1877, Question 1681, this is put to you, "In paragraph 2 of your report, 'If, on the other hand, it were proposed to raise the earthen banks in the suburbs by simply enlarging those banks, and to raise wharf and other properties by the formation of a parapet wall upon the existing structures, this might be made effective, although it would have a patchwork appearance, at probably one-tenth cost of the first proposal'?" I do not know what the first proposal was. First there is the suggestion which has been read to you by my learned friend Mr. Bidder, of constructing a work which would cost 5,000,000 *l.* or 6,000,000 *l.*?—As compared with that it would be so.

762. An embankment, I suppose, would be the best way of keeping out these floods?—No, it would not.

763. Not the best way of keeping out the floods?—No.

764. Do you mean to say that all these fanciful plans with trap-doors and hatches would be better than an embankment?—They are, in my opinion, the best way of doing it; my reason for saying that is that the Thames is a commercial river, and if you made large embankments right down the river, you would stop the commerce of London.

765. Stop the commerce of London by building an embankment?—Yes.

766. You have built an embankment at Chelsea within a few yards of the Fulham district?—Yes; and the embankments that we made have made the wharves which have a frontage to the river of a greater value than they were before.

767. Surely that does not damage anybody?—If you sweep all the wharves away, and make embankments, it will damage us all.

768. That is your reason why you think it will not be the best way?—That is my reason.

769. Is that the only reason?—That is the only reason that occurs to me now, and I think that is a sufficiently important one, the preservation of the trade of London.

770-1. Now I want to ask a few questions upon

upon this: you say that the Board do the work at about three times the expense that the owners could do it at, and you give as an illustration that he gets certain barges to put waste earth upon his land for the purpose of forming the embankment; how long would you give the owner to get the barges to bring earth there sufficient to make the embankment?—It would depend upon what other works were going on in the neighbourhood at the time.

772. It would depend upon a very great number of different things?—You must remember I gave two alternatives; the one you allude to now is one that I have seen carried on to a very large extent in the Upper River. No doubt it is a slow process, and the other one would be a very quick process.

773. You told the Committee that the owner would do it at one-third the cost that you could, because you said I should have to bring earth from a distance and pay 6 s. a load for it, and the owner could get barges to bring the earth deposited upon his land for about 2 s.?—Yes, that is my opinion.

774. Is that a fair illustration of the different expenses?—Yes.

775. The *Chairman*.] You have used the term "upper river" two or three times; what does it mean?—I used the term "upper river" when I am speaking of above London, the more rural part.

776. Do you mean a particular point?—No, I do not think I could define that point. I am contrasting Fulham fields with the wharf property of London when I am talking of that.

777. You consider the upper river to flow by Fulham fields?—Yes.

778. Mr. *Collins*.] You call the lower river the part where the traffic goes on, and the upper river as the rural districts?—I used that term to define a point for counsel, that is all.

779. And you were speaking within the metropolitan area?—Yes.

780. I daresay you have thought over the question of expense, and you know the large earthen bank owned by the Fulham Board of Works, with a walk on the top of it?—Yes, that is the bank we were referring to, by the Saltings.

781. How long do you think it would take the owners of that bank to accumulate earth from barges to raise it two feet?—That I cannot answer.

782. Within any reasonable time?—It would depend so entirely upon what arrangements he could make with persons.

783. You put it to the Committee that he could do it at one-third the cost?—I suggest two modes. I say that in making his bank the best way would be to dig a trench along the back of the bank and throw the stuff up on the top of the bank, and in that way the work may be done very cheaply.

784. Will not it flood the other lands?—No.

785. The Saltings will be flooded still?—The Saltings remain untouched.

786. Why do you not have a bank upon the other side of the Saltings?—The Saltings derive an advantage from being overflowed. They are osier beds generally; if they are reclaimed from the river they would find it a good ground of a claim for compensation; they would show us that they had great value from being overflowed, and they would say that we had destroyed their

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value. A bank is constructed for the protection of a market garden by the owner. I explained that the right way to make the bank, if made by the owner, would be to dig out at the back of it, and at a sufficient distance from it, the ground, and place it on the slope at the top.

787. Sir *Baldwyn Leighton*.] You do not propose to embank it?—No; what the learned counsel is pointing at at this moment is this; it has been suggested to us that we should, at a very large expense, make an embankment along the river front, which would convert the Saltings into building ground, and, therefore, at the cost of the public, increase the value of that land enormously to the owner.

788. Mr. *Collins*.] You did that to a certain extent at Chelsea in the embankment there?—We made an embankment there.

789. And you reclaimed the land?—Yes.

790. And sold it for a considerable sum?—Yes, we made a public road and public gardens there, and there was an object in each one of those embankments which were formed at the public cost, beyond the mere keeping out of the floods.

791. Have you examined that earthen bank?—I have.

792. Do you agree with me that in some places it is only some 18 inches to 2 feet wide at the top?—Yes.

793. Do you know that the bank is now in a very rotten state?—I do not know that.

794. Have you examined it to see whether it is or not?—Not so minutely as to see that; but it has no appearance of being in a very rotten state; it looks a fair bank, and it has kept out the tides.

795. To a certain extent?—When they have not risen over the top of it; when they have risen over the top of it the bank has broken down.

796. And each high tide washes away a portion of the earthen bank?—No.

797. Some high tides?—Some extraordinary tides that have gone over the bank have washed a breach in the bank.

798. Do you think that an earthen bank, made of such stuff as that is made of, is any protection at all against the tide?—Yes, I do.

799. Will not it constantly be washed away by the tide, and constantly require repair?—No; in raising it 18 inches, of course, I do not propose to put that simply upon the top of a bank which is 18 inches wide, but I propose at the back of it to put more earth, which will form a proper base upon which to put the upper ground, and it will convert what may now be a weak bank into a strong bank.

800. And you can do it for 1,533 l.?—That would be the cost, and if done by the owner it would be one-third of that.

801. On account of barges bringing the earth?—No.

802. What other circumstance?—Excavating it also at the back of the bank. I pointed out that, being the owner of the ground, he has that advantage, that many barges want shoots for discharging surplus earth upon, and if he has the ground there and gives it as a shoot, he may have a large contribution of portion of ground brought to him, but he is not dependent upon that.

803. How can he do any other portion of the works cheaper?—That is the principal saving.

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I may say, however, that after I have made what I conceived to be a full estimate, I put down 25 per cent. upon that estimate to make it sufficiently full to cover all contingencies. I think that in each case the owner can do the work cheaper than a public body.

804. Do you know the frontage of Fulham to the river?—I do not remember that.

805. Four and a-half miles, is it not?—I suppose it is.

806. Would not some of your improvements block up some of the streets?—No.

807. Chiswick Mall, for instance?—No.

808. Do you propose to raise that?—We propose to raise the parapet.

809. And raise the road itself?—Only at the western end.

810. How much would you raise it at the western end?—About 18 inches or two feet; it is, however, a very simple work; it is simply to make an incline up to it of 1 in 30; it is raised 4 feet.

811. Is not it opposite some houses?—It is.

812. How are the carriages to get to the houses if you raise it 4 feet?—The ground rises as the descent from the summit comes down, so that the present road rises, and it will not interfere with those houses.

813. Not at all?—Not at all.

814. The raising of the wall will somewhat interfere with the lower windows, will it not?—No, it will not.

815. How much do you raise the wall?—It has already been said that those houses were not flooded, because they are higher up than the road itself, and the raising of the wall about a foot will not interfere with them at all.

816. What you say is this: "Chiswick Mall. Raise public road, Chiswick Mall, to a summit opposite B to A, causing a gradient each way, 500 L."?—Yes.

817. Would that interfere with the other side of the Mall?—Not at all. These are good embankments on both sides.

818. In the draft Bill it is proposed that if the owner suggest another way of doing the work, the Metropolitan Board and the owners are to meet and try and arrange matters?—That is so.

819. Who would be the person that the Metropolitan Board would send to meet the owner?—I expect their engineer.

820. Yourself?—Yes.

821. You, of course, make the plans?—Yes.

822. I do not say you would make a mistake, and I do not say you would be wrong; but do not you think it is right that, supposing you and the owner disagree as to the best plans to be made, there ought to be an appeal against your decision?—Is there not?

823. You make the plans; you and the owner disagree as to whether the plans are good enough; you say by the draft Bill, We will consult together; but if you disagree with the owner there would be no appeal?—Yes, there would be an appeal.

824. To whom?—The Metropolitan Board of Works.

825. Is there any practical good in that?—Yes, there is indeed. What interest have the Metropolitan Board of Works in taking the opinion of their engineer? On the contrary, the owner would go to his representative, who would clearly have his interest at heart, and who would come and urge his case most strongly; and I con-

ceive there is no member of the Board who would have any other object than to do what is right and fair on the subject, rather than to carry out any particular view of their own. If I showed them that carrying out the owner's view would throw upon them some very heavy compensation, then they would say, The works must be done as I want them. It may be, on the other hand, that the owner showed it would be of greater advantage to him to do it in some other way, and no disadvantage to the public, and the Metropolitan Board of Works would be as fair a tribunal to go to as any body that could be named.

826. That is why you think they should be the third party to appeal to?—It should be to the Metropolitan Board of Works, as it is in many other cases. They are the body who are selected by Parliament to look after these things. I think it should be through one body; and if you make an appeal to somebody else, it makes that somebody else the person to govern these things, and not the Metropolitan Board of Works.

827. Do you know that other districts in London are suffering from floods caused by storm water?—They are.

828. What districts are they?—Various parts of London.

829. Give me one; say Islington?—Yes.

830. There is considerable damage done by flood waters?—Yes.

831. And Mr. Richardson told us you had a scheme to prevent it?—Yes.

832. Is it to be a metropolitan improvement?—Yes.

833. And paid for by the whole of the metropolis?—Yes.

Cross-examined by Mr. Bidder.

834. I appear for certain vestry boards and certain wharfers along the river. I must, I am afraid, trouble you with one or two engineering questions. Of course I know you will give me a negative answer to this question, because I put it to you before. Is it not the case that the present liability to flooding, above London Bridge, is in part to be attributed to works that have been carried out by the Metropolitan Board of Works themselves. I mean, of course, the Victoria and Albert Embankments?—To that I answer No.

835. I assumed you would. Then I must ask you one or two more questions. The mischievous floods occur, do they not, at the time of high tide of the exceptionally high spring tides?—Yes.

836. And of course the tide water all comes up through London Bridge?—Yes.

837. Does less water come up through London Bridge now than used to come before you made your Metropolitan Embankment; have you diminished the waterway of London Bridge?—No.

838. And does not as much water come up as used to come up?—Yes, the same.

839. How many acres of river foreshore have you occupied by your embankments?—Fifty-one acres altogether have been reclaimed.

840. Which, before your works were executed, used at high water to be covered by the tide?—They used.

841. Where does the water go to now which comes up through London Bridge, and which can no longer go there?—It does not come up.

842. We

842. We started with that, that the same quantity came up; that is why I began at that end of the stick, the same quantity comes through London Bridge as before?—The same quantity does not come through London Bridge.

843. You must not change your views. I thought you agreed with me?—No, the same quantity does not come up; so much as filled up that space does not come up.

844. We are agreed that the waterway through London Bridge is the same as it was?—Yes.

845. I thought that we were agreed that the same quantity of water came up?—Not quite.

846. Why, if the opening is the same, should not the same quantity of water come through it?—Because there is so much less space to be filled.

847. If I may personify the Thames, I will ask, when it comes to London Bridge how is it that it knows that a mile or so further up it will not find accommodation, and consequently it makes a bow to London Bridge and comes back again?—You assume that it is coming up through London Bridge, and that it will come through London Bridge without some temptation to come there; that temptation has ceased to be there, and it does not come.

848. You mean you have diminished the temptation?—I do.

849. Is it like an attraction to the public to frequent a particular part of the town?—If you take away space it does not flow into that space; it flowed by that space being there, and it flowed by gravitation into it; that space is no longer there, and therefore it does not come; it does not flow into it; it does not come up as Mr. Bidder suggests.

850. Supposing I had a water pipe laid on at my house to supply a cistern, and I took away the cistern, would that prevent the water coming?—Not if it came from a greater elevation.

851. Supposing it came as before, and I had the water laid on at my house at a greater elevation into the cistern, if I took away the cistern, would it come?—Of course it would.

852. The tide always comes if it has a head of water behind it?—Yes.

853. Have you not altered the head of water behind London Bridge?—The head of water is decreased without filling that space.

854. You have not altered the head of water below London Bridge?—No.

855. Therefore there is the same head of water, and therefore the space has been filled up?—It is whether like taking a larger basin; if you have a large basin the water gets to a level and fills the basin, but if you put a small basin you will have it filled up to the brim. It fills up to a certain height and then it ceases to flow.

856. You have not made any difference in the basin at London Bridge; it is only when the tide has got a few miles further up that it finds that the old accommodation is not there?—It has to flow there as long as the water is so low that it has to fill it.

857. Does not it really, as a matter of strict hydraulic engineering, come to this: that the quantity of water flowing through London Bridge, or any other tidal opening, in a given space of time and a given tide, depend on the difference of level of the water below the bridge and above it, and the area of the bridge?—Yes.

858. Therefore the area of the bridge remaining 0.89.

the same, the waterway and the height of the tide below remaining the same, the same quantity of water will flow through as before until you have raised the water above to a higher level, and so diminished the head?—No.

859. The area of the waterway through London Bridge remains the same as it always is?—Yes.

860. The height of the tide below London Bridge remains the same?—Yes.

861. And if the height of the tide above London Bridge remain the same, the same quantity of water must necessarily be flowing through in a given time?—No, it must not.

862. Why not?—Because there is a smaller space to fill; it rises to that height with less water passing through; it is precisely what I have illustrated by the two basins; you get the height above London Bridge with less water going in.

The Chairman.] I understand your question to be whether the embankment can raise the level of the high tide above London Bridge.

Mr. Bidder.] My suggestion with respect to the embankment, is that removing the 51 acres in which part of the tidal water was previously stored, and the same quantity coming through London Bridge not being stored there, it necessarily accumulated on the top of the tide, and to a certain extent raised the tide.

The Chairman.] The same thing would apply to a breakwater; where anything is an embankment against the tide it raises the level of the tide.

863. *Mr. Bidder.*] Not against the tide; the embankments I speak of are not against the tides; they keep the tide up in a certain sense from the straightening of the banks of the river. My point is that they have taken away so many acres of the storage of the river, consequently the water that formerly went there is heaped up on the rest of the river?—This subject was gone into very fully at the inquiry of 1877.

864. But the Members of the Committee were not present?—Mr. Law, who is a very good authority on the subject, has reduced it to a very careful calculation; the figures you will find in the report; he shows that the mean velocity of the stream of the river before the embankment was constructed, which is determined by the head, and the frictional surface, was 1.9077 feet per second; that by forming the embankment and then making less frictional surface, the velocity of the stream was increased to 2.0134, and that the sectional area was at the same time reduced from 24,870 square feet to 21,600 square feet. That shows the amount taken out by the embankment, and therefore, multiplying the increased velocity by the reduced sectional area, shows that the quantity passing up was reduced from 47.444 cubic feet to 43.490 cubic feet per second, representing the smaller quantity which passed up from London Bridge at that time.

865. I do not want to follow you through the figures. You remember that we never accepted the fact in 1877?—You never disputed them; they were laid down and proved conclusively without any answer having been given.

866. Will you follow me a minute, instead of leading me away into those figures. I think you called

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Sir J. W. called as a witness in support of your views in 1877, Mr. Abernethy?—Yes.

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867. And Mr. Abernethy is an engineer of eminence, and a good deal of knowledge of hydraulic matters?—Yes.

868. As you have taken me to the evidence of 1877, I will ask the Committee to turn to page 88, where I went into the same question with Mr. Abernethy. I want to see whether you agree with him?—I know what Mr. Abernethy in cross-examination was led into answering them, which I do not agree with.

869. He is asked, Take a point below the Thames Embankment which has not been affected at all, say Southwark Bridge, as the narrowest neck of the bottle that you can select?—Yes.

870. That would not have been altered by the Thames Embankment works?—The bridge has not been altered.

871. Nor the current through it?—No.

872. There being the same sectional area as there was before the works were constructed, does not it follow that, with the same rise of water below, you will have the same quantity of water pouring through at that point at a given time?—You have; but you must take into account that the high-water level has risen generally in the river, and therefore you have a greater amount of water passing through the bridge than formerly due to that rise.

873. You agree with me in my question that supposing the same state of things, that is to say a tide of a given height below Southwark Bridge, exactly the same quantity of water will pour through Southwark Bridge on the flood as did before?—It is obvious that if you have the same channel below the bridge and the same openings through the bridge you have the same quantity of water.

874. Take any given tide with a certain quantity of water coming up to Southwark Bridge the same as before, you will agree with this proposition, that that water must go somewhere?—Undoubtedly.

875. May I take you so far as differing from Mr. Abernethy?—Yes, you may.

876. You were inclined to agree with him at first, but now I understand you to differ; at any rate Mr. Abernethy was of the opinion I have been putting to you?—Yes, but I think Mr. Abernethy had not been studying the subject as thoroughly as Mr. Law had done, and he was led in cross-examination into a theory which is not correct.

877. At any rate, you admit that your own witness and fellow engineer, Mr. Abernethy, who was called to support you in 1877, agreed with the view I put before the Committee, that the same quantity of water necessarily must come up?—I think he did.

878. I will not argue it out at greater length, but I will ask this question; if it is true that the same quantity of water comes up as did before, you having occupied the 50 acres in which water was stored, would not it necessarily follow that it must rise to a greater height?—Yes, if it were admitted theoretically, of course, that amount of space would have to be spread over the river, and it would make a trifling increase of height; but according to my view that is entirely an error. There is a certain amount of force at the mouth of the river which brings the tide up the river, which, as Mr. Law has explained much better

than I can do, is retarded by friction, by gravitation, and by obstructions in the river; increase that friction, increase that gravitation to be overcome, and increase the obstructions, and you get a less quantity of water in the river; diminish them, then you get a larger body of water up the river.

879. You cannot increase the amount of gravitation. We have not yet found out how to do so?—By dredging and deepening the river it has to be forced up a less height.

880. Let me put a thing to you in the easiest possible form as an engineer. Given a passage through which the water is flowing, whether it be a bridge or any other opening, the flow of the water through that is determined by the difference of the height of the water above and below it, is it not?—Yes.

881. And if the height of the water on the one side of it is known, and the height of the water on the other side of it is known, the quantity of water that flows through it in a given time is known?—Yes, if you have a given head.

882. It depends upon those three things, the size of the opening, the height of the water on the one side, and the height of the water on the other?—The rate of flow does.

883. Now go to London Bridge again; the size of the opening is not altered?—No.

884. Consequently the rate of flow through it depends upon the height of the water below the bridge and the height of the water above the bridge?—Yes.

885. Then so long as those items remain the same, the quantities flowing through the bridge must be the same, must it not?—Yes, but then above the bridge if there is a smaller space to fill, it attains the required height at a quicker period, and you have less coming through.

886. That is to say that the water will rise higher in a given time above the bridge than it did before, or it will rise to the same height sooner?—No.

887. Just answer me; it will rise to the same height sooner?—It will rise to the same height sooner.

888. Then if it rose to the same height sooner, in a longer time it will rise higher?—No.

889. What will it do?—It will cease rising quicker. I will put it in this way: I have water flowing into a basin, the head of the water being level with the top of the basin, and it is a small basin; and I have another at the same level, a larger basin, I let it flow into both of those through apertures of the same size; it will fill the smaller basin quicker than the larger basin, but it will rise then to the same height.

890. You mean it will stop sooner when it has filled the smaller basin, and not flow over?—Yes, and that is so under the system I have named.

891. Now I will ask about another metropolitan improvement; is it not the case that the liability of these low-lying districts above London Bridge to be flooded, is the consequence of the improvement of London Bridge itself; that is going further back, before your Board?—That is to say, the construction of old London Bridge formed an obstruction to the tide coming up to its natural height; when that was removed, then it flowed again to its original height.

892. Until London Bridge was made these low-lying

low-lying districts were not subject to any risk of flooding above bridge?—Yes, they were.

893. They were not subject to the risk of flooding to the same extent?—The tides did not rise so high.

894. And the records show that the tides did not rise so high as they afterwards did, by a foot or more?—

895. Which makes all the difference in the question of flooding?—Yes.

896. The *Chairman*.] Is the tide above London Bridge, in the case of these very high tides, of a higher level than it is below?—Above London Bridge it is a trifle higher than it is at Sheerness.

897. You mean the absolute level of the water?—The level of high water of the same tide is usually so.

898. Is it caused by this, that as the tidal wave comes up the estuary of the river contracts; it runs into a funnel, and it heaps up the waves?—Yes.

899. Then what we want to get at is this: if that be admitted, why does not the narrowing of the course of the river, which was what was done by the Embankment, have a tendency to raise the level of the tide?—Because the river at the present time opposite the Embankment is considerably wider, and gives much more space than it does through the bridges below it, so that it has no tendency to heap up in that way.

900. Do I understand that to mean that it does not matter how much the narrowing may be above a certain point, if such narrowing still leaves the river wider than it is at that point; do you mean that?—Yes.

901. That is to say, take the width of the river at London Bridge, or any bridge, it would not matter how far you diminished the width of the river anywhere above, provided that you do not diminish it below the width of that bridge?—I would not go to that extent. If for a very considerable distance the river were narrowed, it would, of course, obstruct more, increase the friction, and obstruct the tidal water coming up.

902. I understand your answer to tend to this, that it is a question of degree; that there is a tendency in the diminution caused by the embankment to raise the level of the water?—The tendency in this case is to let less water go up above bridge than before, as I have shown by the figures I gave; that whereas the quantity flowing up before was at the rate of 47,000 cubic feet per second, it is now reduced to 43,000 cubic feet per second.

903. Sir *Balwyn Leighton*.] Since the embankment?—Yes.

904. Mr. *Bidder*.] That is the result of your theoretical views?—That is the result of actual hydraulic calculations.

905. You said just now that the height of the tide above London Bridge at high water is higher than it is down at Sheerness?—Yes.

906. But less at a point much nearer London Bridge itself. Is it not the case that until high water the height of the tide below London Bridge is higher than it is above?—High water occurs below London Bridge before it does at London Bridge.

907. You do not understand me. I speak of high water at London Bridge, or immediately above London Bridge. Is it not the case that until high water the level of the water on the

lower side of London Bridge is always higher than the level of the water on the upper side of London Bridge?—No; the only way is for me to call the attention of the Committee to the very careful diagrams that have been prepared in illustration of this by Mr. Law, in the evidence of 1877. It is no use going into the matter half-way.

908. Take the diagram of Mr. Law in the Appendix to the Evidence of 1877; the second diagram does not tell us when high water was, but it is pretty well shown by the diagram itself; it is drawing No. 2; it is headed "Observation of the relative Heights of the Tide above and below London Bridge." The figure itself shows high water above London Bridge, in figure 5 in that diagram; that is the highest water of the lot; is not that so?—Yes.

909. The figure 5 and all the previous diagrams show that the water below London Bridge was higher than the water above?—I think the learned Counsel is mixing up two totally different things here; he is referring to a diagram which shows the effect of the tides in shooting Old London Bridge; that is the mere local effect of the bridge, and has no reference to the height of the tides a considerable distance below London Bridge or above it.

910. Have you got any other diagram?—This has reference to the particular effect of that bridge, which dammed back the water, and it went with great velocity and required great head to get through the bridge, and showed at different times of the flood a five-feet difference above and below bridge.

911. Above London Bridge the water continues to run up stream after it has attained its full height at London Bridge, because it goes on to fill the upper reaches?—You were talking to me about the relative heights of the floods.

912. Will you answer that question; I did not notice it was Old London Bridge, therefore, I will turn from it; above London Bridge the water continues to run through London Bridge after it is high water at London Bridge for some little time, does not it?—Not after it is high water at London Bridge; above London Bridge it continues to run on, but not through the bridge; but when it is high water at London Bridge it is slack water.

913. It continues still to run, does not it?—No, it does not.

914. If it does not run through it you would have a gap made?—No; there is a momentum given to that which has passed London Bridge, and has ceased there, and is flowing on.

915. Think a moment. If the stream does not run upwards at London Bridge, and is running upwards at Southwark Bridge, you would have a hole between the two?—So you will, and I should like to refer to a diagram of Mr. Law's, which shows that that is exactly the state of things that does occur. It is Drawing No. 6. If the Committee have that drawing they will find that on the 17th March 1843 it was high water at Sheerness at 1.39, and the tide was flowing down at the St. Katharine's Dock. It is represented by a dotted line, and flowing down towards Chelsea still more rapidly; at 3.15 the tide had fallen at Sheerness from A to C upon that map, but had risen at St. Katharine's Wharf to above Trinity high-water mark; and, whilst the tide was at that time flowing out of the river down to Sheerness, it was flowing also down towards Chelsea,

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Chelsea, not having been high water at Chelsea at that time.

916. The *Chairman*.] If I do understand it, this diagram means that the high water at St. Katharine's Dock was considerable higher than the high water at Sheerness?—It was; and it is important to follow this out, because it also shows that the low water at St. Katharine's Dock at 10.15 was considerably lower than the low water at Sheerness; that is, that the momentum given to the tide swept it to a lower level, to a deeper level than it had at Sheerness.

917. I should rather gather that the more you narrowed the river the greater you would increase that momentum?—No; the more you narrowed the river, the more obstruction you put in the way of that momentum, and the less water will come up.

918. Sir *Charles Dilke*.] It will come up at a greater velocity?—No, it will meet with more obstruction, and less water will come up.

919. The *Chairman*.] Why would narrowing it at London have the effect of causing it to rise?—If you narrow it at London Bridge it does not cause it to rise higher.

920. I thought it caused it to be higher above London Bridge than below?—It does rise higher than below; that is from the funnel shape of the river; the greater momentum you have the greater the tendency is to fill it up, but the more you narrow it the less water you get up.

921. Sir *Baldwyn Leighton*.] Time being an element, if it flows on for four or five days it would all become level; but as the tide recedes, so much water cannot go through the aperture during the tidal wave?—If time allowed, it would eventually attain the level.

922. Mr. *Bidder*.] That diagram represents 60 miles of river, and shows that which we know beforehand, that the tide has turned at Sheerness before it has turned at London Bridge?—Yes.

923. The *Chairman*.] It appears to me that this must be a matter which must have been so much studied by scientific engineers, that it must be an ascertained fact, beyond any possibility of dispute, as to how far such a thing as an embankment raises the level of the tide or not?—It formed a matter of very careful inquiry.

924. Mr. *Bidder*.] One would have thought so, but Mr. Abernethy entirely differs from Sir Joseph Basalgette upon the subject. I will ask you one other question. Do you agree to an answer of Mr. Law at page 69, which will give the Committee some idea of what the 50 acres storage meant; it is Question 932: "I should be right in saying that on the occasion of a big flood the storage to be occupied by the Embankment, and which before the construction of the Embankment was open for the reception of the water, would have held as much water as would have covered six miles of the river a foot deep?—Yes; but you would have been greatly mistaken if you should think it caused the water to rise a foot higher." As a matter of fact, whatever the consequence of that is, that is correct, is it not; the storage of those 51 acres you took away was equal to about a foot deep of six miles of the River Thames?—Having already shown that that quantity does not come up the river to fill those embankments, I am prepared to say that, as a matter of figures, probably you are right. I have not checked them, but I will go further, and say that if you assume that quantity to be stored in the larger space, you may assume

it to be piled up like a pyramid to any height you like.

925. That is a fair statement of that quantity of water, is it not?—I have not checked the calculation.

926. Now, will you answer another question that I put to you; before Old London Bridge was removed there was no such liability as that which there is at present to flooding in the upper district of the river above the bridge?—No, on the contrary; at page 10 I have given a large number of cases of flooding, which must have been before London Bridge was removed.

927. I have not put it that there are no cases of flooding. I put it that there was not the same liability to the same extent?—No.

928. Old London Bridge was removed, and the new one substituted, as a great metropolitan improvement?—It was; but the greatest improvement was to the river itself.

929. Mr. *Maurice Brooks*.] Was there a greater liability to flooding below the bridge before the obstruction was removed than there is now?—Yes, the admission of a larger volume of tidal water into the river would tend to that.

930. But the water was prevented by the piles from coming through the bridge, which raised the level below?—No; I think not.

931. What became of it?—It did not come up at all; there is a certain amount of water delivered at the mouth of the river, and if you put obstructions into the river, that force has to be overcome; and if you put obstructions that overcome that force, the quantity does not come up.

932. But it comes up to the obstruction?—Yes. But the obstruction remaining makes the water rise more quickly at the point of obstruction, and prevents so much water coming up behind.

933. And, therefore, increases the tendency to flooding below bridge?—No, I think not.

934. If it is higher there is a greater tendency to overflow?—On the contrary, I think the greater the quantity of water coming up the greater tendency to flooding.

935. It would cause greater flooding at the bridge just below, would it not?—Just at the point of the bridge there would be a small increase.

936. But an increase equivalent to that which was prevented from passing through the bridge?—No, I think not.

937. Mr. *Bidder*.] I will not follow that engineering question further, but I will put this to you, if it is to any extent a question, that either by your recent Thames Embankment or by the making of new London Bridge, which I will venture to call a metropolitan improvement, the liability to flooding has been increased, is it in your judgment an equitable thing that either the owners or the districts bordering on the river should have to bear the cost of remedying that state of things?—Yes, I think it is equitable.

938. Even though it should appear that the liability to flooding is to a considerable extent due to the great metropolitan improvements, you think it is an equitable thing to put the cost upon the riparian owners or district boards?—Yes, I do, those improvements being mainly for the improvement of the river itself, and those persons deriving great advantage from the river.

939. All the metropolitan derives great advantages from the metropolitan improvements, though

though the wharfingers are the people who derive the greatest amount of benefit.

940. What proportion of the protection from flooding have you carried out at the expense of the metropolis generally by means of your embankments?—We have carried out the Victoria Embankment.

941. We know the name of them; what does it amount to, how many miles has been provided for out of the general metropolitan rates?—About two miles, or rather more.

942. The Victoria, Albert, and Chelsea Embankments?—Yes.

943. And Battersea Park, by-the-bye, that was done by the Government, not by you?—Yes.

944. Of course the riparian owners upon the south side are contributors to those embankments?—Only as general ratepayers.

945. As general ratepayers they contributed, though they derived no immediate benefit from them; take, for instance, a wharfinger or an owner of property in the St. Saviour's district, which I represent, down by London Bridge, what immediate benefit did he derive from the construction of the Chelsea Embankment?—He derived the advantage of the new thoroughfare upon the Embankment.

946. To wharfingers in the St. Saviour's district on the south side of the river I should imagine the thoroughfare along the Chelsea Embankment is not a very valuable addition; if he walked there of an evening it would be an advantage?—He derived the benefit of the Southwark new street in his own immediate neighbourhood; what advantage would a man in Hammersmith derive from constructing a street for him there?

947. The works that you are now contemplating are not for the simple benefit of those who happen to be wharfingers and riparian proprietors, but for the benefit of the large districts behind them, are they not?—Not the large districts behind them.

948. The districts; I will drop the word "large"?—For the benefit of certain areas.

949. Then upon what principle do you consider it equitable that a man who happens to be the owner of 100 square yards fronting the river should bear the whole cost of the works which are to protect, to use your own phrase, a certain area behind?—Because he is upon the banks of the river and derives benefit from his situation; he should therefore bear the liability attaching to it.

950. If the liability attaches to him, you want no Act of Parliament to make him do it?—It is thought we do.

951. It is because the liability does not attach to him?—I mean that it shall attach to him.

952. That is a very different thing. When you came with your Bill of 1877, and proposed to put the cost upon the local authority of the district, you supported it by an argument derived from Section 69 of the Act of 1855, which the Committee have heard of, and you argued that that was a certain liability upon the district already; do you recollect that?—No, I do not; I expressed my own individual opinion to the Committee then that I thought that the owners were the proper people to do it.

953. That was not the scheme of your Bill, nor the argument you used. At the present time the owner is under no liability whatever, unless

he is under the peculiar liability of being liable by prescription or tenure?—I do not pretend to give an opinion about that.

954. You have given us an estimate of the works that at the present time you consider necessary; those works, according to the scheme of the Bill, may be ordered, and the owner is bound to construct them; there is nothing to prevent the Board from changing their minds and saying that other works are necessary?—I have explained it very fully, but there is nothing to prevent it.

955. It has been contemplated to do this work by means of an embankment, has it not?—No.

956. It has been discussed?—No.

957. It had been proposed in 1877?—I think not; never, that I know of.

958. Supposing the Metropolitan Board of Works should, after all, consider that it is desirable to do the work upon the south side of the river, by a general embankment in continuation of the Albert Embankment, they would have power to do so under this Bill?—I declare I cannot say that.

959. They have power to call upon the owner to do any works which they think proper, and not only upon his premises, but upon the foreshore of the river as well. Supposing this Bill passes, what is to prevent the Board of Works hereafter, if they are of opinion that it is desirable to extend the Albert Embankment, and carry through a handsome granite embankment, such as you have constructed in other parts of the river, from calling upon each riparian owner to do or pay for so much of that embankment as is opposite his premises?—That can be so much better answered by the learned counsel that I cannot give an answer to it.

960. You are aware that under your Bill it would be competent for the Metropolitan Board of Works to call upon each owner to do a part of the embankment?—I do not think so.

961. Is it equitable that he should be under such a liability?—To make a general embankment, I do not think he should be.

962. I suppose in many cases it must happen that the construction and carrying out of the works which you think necessary will for a time interrupt the man's business, will it not, the wharfinger's business?—It may a little to some extent.

963. And possibly a great deal?—No, I think not.

964. Is it not reasonable that if it does, he should be compensated for it?—No, I think not.

965. Take a wharfinger carrying on an important trade, the fruit trade; supposing in the fruit season you practically stop his business, or you greatly impede his business for a month or six weeks, is he not entitled to any compensation?—That is not a state of things that can arise.

966. Supposing it does arise, is it not just that he should have compensation?—No, I think not; it is just this, that that wharfinger should raise his wharf at his own cost, and in his own way to carry on his business.

967. And suffer and have no compensation for the loss occasioned?—For the temporary inconvenience occasioned.

Cross-examined by Sir Edmund Beckett.

968. I must ask you one or two questions, as I was referred to you yesterday. Have you sent

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a list to the various parties, including the Commissioners, of the works likely to be required within their jurisdiction?—Yes.

969. That is what refers to the City, I understand (*handing a Paper to the Witness*)?—Yes.

970. Can you answer me this question without going into details; do you know whether there are any of these places mentioned there; they are mostly wharves, and things of that kind, which are not already as much as a foot and a-half above the maximum height you require?—There are many of them which are not.

971. Just tell me what are not?—I know that Fishmongers' Hall Wharf is one.

972. There is the figure 5,227 against that. What is the height of Upper Thames-street immediately behind that place?—Upper Thames-street is considerably above the flood, but there is a passage-way which communicates into Wheat-sheaf Alley, Black Raven Alley, and Swan Alley.

973. Does that go under Thames-street?—It connects the lower ends of the alleys.

974. Does not Upper Thames-street form an embankment at that place?—Yes, that is high enough not to be flooded.

975. At Upper Thames-street there is no embankment, which is about five feet above your datum?—Yes.

976. Is there any other place you wish to mention?—Yes, but I have stated that if Fishmongers' Hall Wharf were not raised, that passage-way would be flooded, which would lead the floods into other premises besides Fishmongers' Hall.

977. I understood you to say that it did not go under Thames-street; the Commissioners of Sewers have power to order anything of that kind to be done, have they not?—Yes; I apprehend they have. When I say they have, I do not know whether they have or not.

978. Probably Mr. Richardson has looked into the law more than you have?—Yes.

979. Is there any other place that you wish to mention?—Yes, all these places.

980. That is, that at all these places there is something more requisite to be done?—Yes.

981. What is the nature of the something else that is required to be done?—I will take each of them as they are here. Victoria Wharf, the front side of the main building protected by tide boards and closed doors; that one is protected. The bottle warehouse requires a moveable tide board at the cost of 7*l*. The lithographer's requires three tide doors, at a cost of 20*l*. Then we come to South Wharf, Greenhithe, that requires the wharf wall to be raised on the west side of the dock, and to take up the iron coping and fence on the east side of the river.

982. What will happen if that is not raised?—It will flood the houses on the east side of Queenhithe Dock.

983. It wants raising how much?—Two feet six inches.

984. London Bridge Wharf appears to be the next?—That requires fixing a stone kerb, one foot high, over the river frontage, raise the steps from the lower wharf, and fix a kerb on the land side of the stairs, fix a tide board from the rising of the steps.

985. What is the value of that?—£. 80.

986. Then Fresh Wharf, what is wanted there?—To fix dwarf stone parapet to the river front of granite wall, repair wooden staging,

make the wooden staging water-tight, and put baulks in front of the same at a cost of 225*l*. Then Cox's Quay and Hammond's Quay, make wooden staging water-tight, and fix a baulk in front of same at a cost of 98*l*.

987. We have only one more?—Two more: Botolph Warehouse, make the wooden staging water-tight, and fix a baulk in front of same at a cost of 85*l*; Nicholson's Wharf, make wooden staging water-tight, and fix baulk in front of same; total cost, 1,073*l*.

988. That is all?—Yes.

989. That is all that wants doing in the City according to your own schedule given to us?—That is so.

Cross-examined by Mr. Pembroke Stephens.

990. You gave a list to the Committee of the several works that have been done, amounting to about 11½ miles in length?—Yes, I did.

991. The total works being 42 miles, as we know?—Not the total works.

992. The total length of river frontage which is to be provided for under the Bill?—No, out of the total length a very large proportion requires nothing to be done. Then another portion was done, three-fifths of the remainder, after the flood of 1877, and then the remainder requires to be done.

993. I take it to be this, that 11½ miles of the most important works have been done?—Yes.

994. And all that river frontage goes from the end not merely of London, but the whole metropolitan area?—Yes.

995. It includes property of every class?—Yes.

996. From mere agricultural land, which you can lease at so much a year, to the most valuable frontages, that you buy at so much a foot?—Yes.

997. And your estimate of the total works which yet remain to be done, I think you said was 55,000*l*?—Yes.

998. Is not that considerably below what you estimated two years ago?—No; 5,000*l*. more I think.

999. Let us first be clear that the 55,000*l*. includes everything?—Yes.

1000. In your report, a copy of which you have, or may have seen, of the 20th of March 1876, which was made on this subject for the purposes of the Bill of 1877, you discussed what the walls would cost if they were made of embankments such as we know of, and, on the other hand, if they were made in the way which my learned friend, Mr. Collins, referred to this morning, as presenting a patchwork appearance; you said in that case that it would probably cost about one-tenth of the five or six millions which the embankment would cost?—Now let me explain; when I gave you that answer, I thought you were comparing my present estimate with my estimate of 1877, which was an actual estimate made, and which agrees with this estimate. Now you refer to a preliminary report made by me in 1876, when no estimate had been made. I do not remember the contents of that report, but I do remember that I expressed a sort of general opinion without ever having made an estimate at all about what the cost would be, and that is what you now compare with what is my estimate.

1001. We will come to the other estimate in a moment, but I am dealing with this document first?

first?—It was not an estimate; it was an expression of opinion that it would be about one-tenth of what the expense of forming embankments would be.

1002. Without pinning you to that, apart from the costs of the work to be done by the owners, I find this passage: "There would still remain some public roads, draw-docks, creeks, and rivers, where public works would have to be executed, but these, as far as we can at present judge, ought not in such event to exceed 100,000 *l.*" That is in addition to anything to be done by the owners?—Those draw-docks and things have been done by the owners; what they have cost I do not know; they are much cheaper than I thought they would be.

1003. You enlarged upon the very large amount of compensation which would have to be paid: "Even under this arrangement very extensive alterations would have to be made to wharf and private property, and the claims for injuriously affecting them would be very heavy, and it would be scarcely possible to form any estimate of these items beforehand." That was your view at that time?—Yes.

1004. The views of the Board have undergone considerable changes, from time to time, as to compensation?—Yes, they have modified their views.

1005. They have not only modified their views, but since this Bill was introduced they have considerably modified the clause?—No doubt.

1006. Yesterday Mr. Richardson told us that the scheme of this Bill differed altogether from the scheme of 1877; did the 1877 Bill put the cost of the works upon the district boards, whereas this Bill puts it upon the owners?—Yes.

1007. And that in that respect the two Bills were quite distinct and contradictory?—Yes.

1008. I think I caught to-day, when you were explaining your plans, that though the cost under this Bill is to be put upon the owners, there were some very large works which you described upon the plans which were to be paid for by the district boards?—There was one work I remember, that was at the mouth of the Wandle, 600 *l.* odd.

1009. You go back, as regards that, to your Bill of 1877, and put it upon the district board?—As owners, as representing that particular interest.

1010. "Owner" is one thing and "district" is another, as you know?—We thought the right thing then was to put them in the position of owners; they are responsible for that part of the Wandle.

1011. I did not know yesterday when Mr. Richardson was here, but I find to-day that you do absolutely put this in the Bill: "In respect of all such works to be executed in any premises vested in or subject to the control and management of"?—Yes.

1012. So that this is not a pure and simple owner's Bill as Mr. Richardson said, but is a kind of composite Bill, partly owners and partly public bodies?—That is, if they have the control and management of them, they are treated as owners.

1013. Whatever the works are to be executed under this Bill, your present impression is that they may be done for between 50,000 *l.* and 60,000 *l.*?—Yes.

0.89.

1014. I find in the last Report, to which I have access, of the Metropolitan Board, that they have, at this moment, an unexhausted borrowing power, for the purpose of works under the Board's General Improvement, Main Drainage, and Embankment Act, of 141,000 *l.*?—I cannot speak to that.

1015. I am quoting from the Report of the Board itself. The Report is ordered by the House of Commons to be printed, 4th June 1878; that is so, is it not?—I do not know that it is.

1016. It is so stated; their assuring this Committee take the view that this might be done by the general law; the Board have unexhausted borrowing powers, capable of being applied to works of embankment?—I cannot answer that question.

1017. Without going back upon any of the questions which my learned friend, Mr. Bidder, put to you as to embankments, this I may take it is a true description of the present state of things, is it not: as long as floods occur in the river, the water continues to rise until it reaches the point where it forms an outlet, and overflows. That would be true in any river, would it not?—I do not understand that.

1018. The water rises until it finds a weak place, one of your boards out, for instance, and then it flows out?—Where any water has risen above the level of the banks which confine it, it will flow over them.

1019. However inconvenient it may be, and serious as the consequences it may entail upon the people flooded may be, it is to that extent a relief to the river, and the water ceases to rise?—No; it is no relief to the river.

1020. The water ceases to rise. The water that flows out must affect the river?—No; you have just put to me the same illustration that I gave to Mr. Bidder. You have now provided a larger basin by the overflow. You have increased the basin, and you must get more water rising.

1021. There is a greater run of tide for a greater length of time?—Yes.

1022. In that time a certain amount of water comes up?—Yes, that amount of water is dependent upon certain circumstances.

1023. That amount of water coming up as long as the banks are high enough remains in the river, but if the banks are not high enough it flows over the country?—Yes.

1024. Supposing, in place of raising these defences where the tide flows out, your proposals were to seal up everything and provide a level six inches higher than has ever been in flood, may not it have the effect of making the water level rise six inches higher in the river itself?—Certainly not.

1025. Will you explain why?—Your theory supposes that whatever the space to receive the water is, the same body of water must come into the river, whereas that is not so; if you have a great sea for it to come into, it would flow up the channel of the river into that great sea and fill it, and a larger quantity of water will come in, whereas if you have not that sea you get less water coming up.

1026. That is, if you make the sea in the first instance, but your opening or entrance is fixed?—I am assuming my entrance fixed; my river is my entrance, and I say then, if you at the upper end of that entrance make a great sea,

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and alter it for each particular tide from day to day, you will get a larger body of water flowing to fill that sea than if you have a small sea and it gets filled up quickly.

1027. May I translate your answer into this: that whether you embank the river, or whether you do not, whether the water remains in the river or flows out, there will be the same quantity of water in the river?—No; there will be the same quantity in the river whether you raise the bank or not.

1028. On the last occasion you stated, and have repeated to-day, that the tides in the river now rise higher and fall lower than they formerly did?—That is so.

1029. And that there has been a considerable increase?—Yes.

1030. And you gave, in the former inquiry, what that increase had been in the course of 22 years?—Yes.

1031. Something very substantial?—Between 1823 and 1835 there was an average increase of 7 inches; that is the rise of the tide; between 1835 and 1843 there was an increase of 6 inches, and between 1843 and 1845 an increase of 1½ inches; a total between 1823 and 1845 of 1 foot 2½ inches; and the low water between those periods ebbed to 3 feet 6 inches lower; so that the range of tide really was increased by about 5 feet, which represented the increased body of water coming into the Thames, giving an increased range of 5 feet.

1032. In 1845, as distinguished from 1823, when you began, there had been a rising of the high-water level of 14½ inches?—Yes.

1033. Now those figures stop in 1845?—Yes.

1034. Can you tell us whether that increase has been progressive, and if so, what has been the increase since 1845?—I must ask you to turn to Table No. 7 in the Appendix, that shows the heights of the tide from 1833 to 1877; from that it could be deduced, but I have not got it.

1035. We have to get some other figures on Monday; would it be a great deal of trouble for you to let us have that?—No; I think it probably has been worked out, but I have not got it. I am not sure whether there are observations enabling us to give it, but what there are you shall have.

1036. You have had a long acquaintance with the river; something like 30 years?—Yes.

1037. But the Metropolitan Board of Works began in 1855?—Yes.

1038. The Albert Embankment was completed in 1869?—Yes.

1039. In 1870, the Victoria Embankment was completed; I take this from what appears upon the former occasion?—Yes.

1040. And the Chelsea Embankment in 1874?—Yes.

1041. And the first great flood was in the same year?—That was not the first great flood; the highest flood that ever occurred was in November 1875.

1042. That is the highest flood; the first great flood which called attention to this matter, and set the Metropolitan Board of Works going, was in 1874?—November 1875.

1043. The first big flood was in 1874, and a higher one in 1875?—Yes.

1044. I must ask you one or two questions about my own particular district. There are other rivers which fall into the Thames, are there not?—There are.

1045. I do not say that they are at all upon the same scale, or that the inconvenience is upon the same scale, but floods do occur upon those rivers?—Yes.

1046. And if it is possible upon principle to legislate for the prevention of floods in the Thames, would you say it was desirable, not perhaps in the same degree, but still desirable, to have regard to floods occurring in other districts. I mean that the subject should be dealt with as a whole?—No; they are two totally distinct questions.

1047. You have been considering those questions, have you not?—I have.

1048. And we heard yesterday that you had inquired into the matter, and made a report upon them?—Yes.

Sir Baldwin Leighton.] Are you referring to rivers which are tributaries of the Thames, or to other rivers in other parts of England?

Mr. Pembroke Stephens.] Those in my own district connected with this river.

1049. It is the fact that you have been inquiring into the circumstances of these rivers, and the floods in them, which rivers are tributaries of the River Thames?—I have been inquiring into the whole subject of the removal of flood waters falling upon the London basin, which has to be removed partly by sewers and partly by these rivers; and considering the means of providing for carrying off those waters.

1050. And that information accumulated by you for the benefit of your Board, has taken the form of a report to the Metropolitan Board of Works?—That is a report to a committee, still under consideration.

1051. Are we to have the benefit of such information as you can give us upon that point?—The report at present is not complete; it is in a preliminary form, and is now under the consideration of another engineer jointly with myself; therefore it has not been formally laid before the Board yet.

1052. But that would be the only difficulty in the way of producing that report?—Except that it is not a complete report.

1053. As far as you are concerned, you have made a report?—No, I have made a preliminary report, and it is now under investigation.

1054. You made such a report as you thought fit to submit to the committee of the Board?—Yes.

1055. I did not catch what you proposed with regard to the Beverley Brook and the Wandle. I am afraid that I must ask you to tell me now, what are you going to do with the Beverley Brook?—Nothing.

1056. The Beverley Brook begins in the Wandsworth district?—It forms the boundary.

1057. I must ask you to show me what the exact circumstances are there?—(*The Witness explained the Plan to the learned counsel.*)

1058. Then I understand you do not interfere with the Beverley Brook at all?—No.

1059. Then I must go to the Wandle. Will you explain what you propose there?—(*The Witness explained the Plan to the learned counsel.*)

1060. As I understand, this osier bed is to be left, and the system of protection is to draw a line round here, and there are gates to be put in, and

and so forth. First, as regards this, what is to happen to the district within your walls, and which is left to the river?—It is to remain as it is now.

1061. Did you explain that to the owner of the mill?—Yes, I believe I did.

1062. I am informed that one millowner says he has had an interview with you, and he by no means agrees; he says he is far from being satisfied; what say you?—I can only say he expressed himself very differently to me; he came and said he thought we were going to make the embankment on each side of the river up to his mill, and when I explained that it was not the case he went away, as I thought, very happy.

1063. You and I can only deal with the facts as they stand; this is a fact, you make a kind of pocket, into which the Thames will come, and this part is banked up carefully round with a five-foot campshedding on all sides; the mill will be left to the tender mercy of the Thames?—It comes to this, that all that property that requires protection will be protected, and that where some of it derives benefit from the overflow, it will still derive that benefit.

1064. Have you considered this point at all; do you know how far up the River Wandle those floods extend that we have been speaking of?—What floods do you mean; do you mean the floods from the high tides?

1065. I will go first by stages, floods occurring in the Wandle?—I do not know how high they go, not any great height.

1066. Will you undertake to say that water is not backed up in the Wandle to a distance of a mile and a-half?—I will not undertake to say so; but I will undertake to say that it will not be so when these works are constructed.

1067. Supposing a flood in the Wandle and

the water to be backed up for a mile and a-half, have you considered at all what the effect of that back water would be upon your embankments put across down here?—Yes, I have, and I say then that the effect of those works will be very beneficial to the upland districts.

1068. That is to say that Wandsworth will, in the first place, have to erect a barrier against the Thames floods, and may also at the same time have the Wandle flood pressing upon that embankment?—No, not upon the embankment; upon the tide gates.

1069. I am entitled to suppose that there is anything up to five feet of water here?—Yes.

1070. At the same time, of course, similar causes may produce a flood in the Wandle, and I have a quantity of water backed up here?—Yes.

1071. Have you considered what the position of Wandsworth will be between the two sets of waters?—In the first place the floods of the Wandle will not come upon those banks at all; the places where the two floods will meet will be at the flood-gate, and then I say, placing the flood-gate there will be a great advantage to Wandsworth, because it will prevent so much tidal water filling the basin of the Wandle, and will leave it as a storage for the flood water coming down the Wandle.

1072. You cannot tell me how far up this back water now goes?—No; but I tell you this, that the flood will be prevented so far that it will go no further when the tide-gate is constructed.

[The Witness withdrew.]

[Adjourned to To-morrow,
at Twelve o'clock.]

Sir J. W.
Basalgette,
c.B.

1 May 1879.

Friday, 2nd May 1879.

MEMBERS PRESENT:

Mr. Birley.
Mr. Maurice Brooks.
Mr. Alexander Brown.
Mr. Chamberlain.
Sir Charles Dilke.
Mr. Wilbraham Egerton.

Viscount Emlyn.
Mr. W. E. Forster.
Sir Trevor Lawrence.
Sir Baldwyn Leighton.
Sir James M'Garel-Hogg.

THE RIGHT HONOURABLE W. E. FORSTER, IN THE CHAIR.

Sir JOSEPH WILLIAM BAZALGETTE, C.B., re-called; Further cross-examined by
Mr. Pembroke Stephens.

Sir J. W.
Bazalgette,
C.B.

2 May 1879.

1073. I DID not get from you the total amount which you consider necessary to be spent in the Wandsworth district?—£. 9,300.

1074. You were speaking last night about the effect of a dam across the Wandle, and you said very truly that it would be a benefit, so far as it prevented the tide water getting in; but, of course, to be effectual it must be higher than the tide water?—Yes.

1075. Have you considered the effect of that upon the water coming down the Wandle?—Certainly.

1076. Assuming there to be the amount of water in the river necessary for you to have your door in, no escape of water from the Wandle can take place until it tops them?—At present no water can run out of the Wandle into the Thames unless the Thames were lower than the water in the Wandle; therefore the same law will continue when the tide doors are in.

1077. It is the essence of your scheme that the banks shall be higher than the water?—It is precisely the same law.

1078. But the same law altered by six inches?—Not altered in the slightest degree.

1079. Why not?—Because that door will open whenever the water inside it, that is the flood water coming down the Wandle, is at a higher level than the water in the river.

1080. It must first be at a higher level?—It must first be at a higher level, but I have already stated at the present time water cannot flow from a lower level into water that is at a higher level.

1081. I quite understand that; therefore the waters of the Wandle at the present time cannot flow into the Thames except they are at a higher level; when that is the case, they will still go into the Thames as they do now; that is dependent upon this: there is to be a barrier six inches higher than the present water line, and you say the Wandle water cannot escape until it is higher than the Thames?—I must take an exception to that way of putting it; there is to be a barrier against the flood water of the Thames going up the river, but no barrier against the flood water coming down into the river; it is a barrier only looking at it from the height of the Thames.

1082. You were not able yesterday yourself to tell me how far the water of the Wandle backed up, but would you be prepared to dispute

in any way, this (*pointing to the Plan*) being the River Thames, that that shows the flood-line to which the river backs up as the matter now stands, speaking broadly, as the crow flies, between a mile and three-quarters and two miles?—I know that river intimately; I know that that is not a correct statement; the tidal water does not go up as far as that.

1083. I did not say tidal water, but would you dispute that at the present moment the flooded area of the River Wandle is backed up a mile and three-quarters?—Now you are speaking of the floods of the Wandle from rainfall, and upon your map you are showing the flooded lands which are above the mill; that is so; the Wandle has flooded all the streams much higher than that wherever their channels are insufficient.

1084. I am only calling attention to this, that you are proposing to put a barrier across the mouth of the Wandle, the Wandle being liable, as matters stand, to be flooded a distance of two miles?—No, I do not propose to put a barrier across the mouth of the Wandle; that would imply that I was going to put a barrier to prevent the flood water escaping. I am not going to do that.

1085. The top level of your barrier will be 17.50 feet?—The top level may be anything you please; it might be 20 feet, and it would not affect the question one iota. The question is, what are the comparative levels of the water upon each side of the land.

1086. Do you know that some of the lands a mile back from Wandsworth are within a fraction of the same level as your 17.50 feet?—I think that is very probable.

1087. You showed yesterday where you proposed to put a kind of square inclosure or bank; have you got one of your maps?—Yes.

1088. Sir Baldwyn Leighton.] Will there be one flap or more in the gate which you propose to put in the Wandle?—That is a question of construction; there may be either one or two, or one over the other; it will make no difference in its action.

1089. Mr. Pembroke Stephens.] According to the maps given to me, I see that there are some works there?—Yes.

1090. Carrying your eye along there, you see the figure 16.39 in the river?—Yes.

1091. Do you know that the proprietor of the ground there has, from time to time, raised the ground

ground at his own expense, and that as often as he has done it, owing to the soft character of the soil, it has slipped into the river and bulged down?—I have a note here that it has been raised to the level of about 18 feet.

1092. And every time that it has been raised, it has gone into the river again?—I do not know that, but it is quite possible, when you say slipped into the river again, you mean that it settles and gets a little lower, and from time to time wants some more put upon the top.

1093. The weight of the bank acting upon the soft foundation has sent it into the river?—Yes, and that is a thing that all such banks formed upon the side of a river are liable to, and they from time to time require attention in keeping up.

1094. Then I would ask you whether the estimate which you have been giving to this Committee of 9,300 *l.* is the initial expenditure, requiring to be supplemented from time to time?—Yes, from time to time there will be a small settlement, and that will have to be maintained by the owners of all the banks along the river there; that is a very small sum, occurring occasionally.

1095. Another point with regard to the Wandle at the other side. I am now in front of Church's Wharf?—That is the property I alluded to yesterday when I said there were some houses that were in such bad condition that they ought really to be pulled down, they are not fit for human habitation.

1096. That is a street or way fronting the river, is it not?—Yes.

1097. The houses there are actually some of them below the level of the river, are they not?—They are.

1098. What do you propose to do at that point along there?—I propose to construct 570 feet of new campshedding, that is, timber work, with earth filling behind it; and near Jew's-row, a small piece of parapet.

1099. That would be a typical case, would it not, of the inconveniences and miseries resulting from flooding to the people living in those houses?—No doubt I mentioned that in my evidence-in-chief, and gave this instance as one of the principal works that would have to be done under this Bill.

1100. When once the water runs over the wall, it goes straight down the steps, and into the houses?—Yes; at present they all have slide boards at their doors.

1101. Warned by experience, they have put up temporary boards?—Yes, since the great flood, they have put them up.

1102. Does it occur to you that in a place of this kind, which you say may be selected as typical of the miseries resulting from flooding, something better than campshedding would be required?—In the first place, I do not say that this is typical of the miseries arising from flooding, because this is almost an exceptional case.

1103. Sir *Baldwyn Leighton.*] Will you describe the place?—This is a block of houses called Waterside; it is a little above New Wandsworth Bridge.

1104. Mr. *Pembroke Stephens.*] There is an indentation of the river at that point, is there not?—There is.

1105. If works were really being done for the protection of the property, and for the permanent prevention of floods, would not it be a much

better thing to build a wall at that point level with the rest of the river here?—I think it would be an unnecessary expenditure in such a locality, considering so large an amount of the river frontage in campshedding at the present time in wharves and premises of very much greater importance than this.

1106. If you look at the river itself, and the mere improvement of it, it is a complete indentation or bay at that point?—It is.

1107. Do you propose to fill up that bay and extend it into the river; I merely ask your opinion whether that would not be a much better way of doing it?—What way?

1108. I suggest whether a line following the course of the wall would not be a much better way of doing it than the campshedding?—In the present line?

1109. Extending out, continuing the line?—I think it would be highly objectionable; at the present time that space is filled by barges lying alongside, and discharging; and if you destroy that place, you would throw the barges out into the river, and you would interfere with the navigation of the river.

The *Chairman.*] I do not want unnecessarily to interfere, but you stated last evening that you had concluded your cross-examination, and you stated this morning that you were going to ask two questions.

Mr. *Pembroke Stephens.*] I should say in answer to your remark, that I stated I had hurried over the latter part of my examination. I will not trespass upon your indulgence any longer.

Cross-examined by Mr. *Thomas.*

1110. You have read the Petition of the Dock Company, have you not?—Yes.

1111. Taking the two companies, the London and St. Katharine's Docks and Millwall Docks Petitions together, I believe the fact is that there are no works required, in your judgment, by the side of these docks?—I must just refresh my memory about that by referring to the plans. That is so, I believe.

1112. That is to say, the outer walls of each of those docks are five feet above datum throughout?—I am not prepared to say that; possibly they are, but if not, there is nothing that would do any damage by overflowing them; there is no reason why we should interfere at the present time.

1113. Notwithstanding that, this Bill takes power not only to enable the Metropolitan Board of Works to require any works hereafter to be done by those companies, but it also prohibits, by Clause 5, and the Interpretation Clause as to flood works, those dock companies from altering, or improving or touching, in any way all those outer walls without the consent of the Metropolitan Board of Works, certified by a plan approved of by them?—Yes, that appears to be a very desirable thing, those walls might be so altered that they would no longer keep the tide out.

1114. Therefore it is an absolute prohibition against touching them in any way without the consent of the Metropolitan Board of Works, certified by a plan approved of by them?—You put that to me.

1115. I put it to you as the effect of the Bill?—I do not express an opinion upon the effect of the Bill.

1116. Assume that to be the effect of the Bill, I suppose practically the Metropolitan Board of

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Works leave all such matters of engineering to their engineer, do not they?—No, they do not.

1117. Are there any other engineers upon the Board?—No, but if any question arises they instruct their engineer to examine into it and report to them upon it, and they are very far from leaving it to their engineer; they consider the report very carefully and determine for themselves.

1118. But upon a question of engineering, the opinion of a person not an engineer would not be of much value, would it?—Take your own case: supposing the engineer of each of those dock companies should differ from the engineer of the Board, he would have an opportunity of presenting his views to the Board, and being heard; and I apprehend that a body appointed having no personal interest but to look after these matters, would come to a fair division between them.

1119. You think that any matter of engineering, if there be a difference between the engineer of a great public work, like the dock company, and the engineer of the Board, the proper tribunal to which to refer it is the Board itself, who are none of them engineers?—If you refer it to a court of law, or a jury, or any other body, they have to determine upon evidence; they do not judge for themselves, and the Board of Works are competent to do that.

1120. You consider the Board as being practically a judicial body, do you?—I submit that this Committee are now treating with engineering matters, and I apprehend that the members of this Committee are not engineers, and I do not think it is necessary they should be.

1121. Are you aware that on the last occasion, in 1877, on the opposition of the companies, a clause was conceded to them, which is set forth in their petition which you said you had read, giving them arbitration by an engineer, to be appointed by the Board of Trade?—I do not remember it.

1122. Do you see any objection to that?—I do not see any objection to it. I have already expressed my opinion as to what my objection is, and I repeat it, it is, that some other engineer, who has not the whole subject before his mind, as the Board of Works would have, would be substituted for the Board of Works, and I think there is safety in having a body of men who may have different opinions, and would discuss all sides of the question, instead of leaving it to one individual, who may have a crochets of his own.

1123. And you think the Metropolitan Board of Works, as a judicial body, is the best that could be found?—Parliament has thought so upon these subjects.

1124. That is your opinion?—That is my opinion.

1125. Now I will ask you a question about the Surrey Commercial Dock Company; you said yesterday that they had made so many miles of works since 1877?—Yes, I did say so.

1126. Is it not the fact that the flood of 1874 came over the Surrey Commercial Dock works?—I do not remember. I daresay it is so.

1127. And that afterwards the company set to work to raise their banks, and it seems that the only place where it has come over, which it did in 1877, was in the premises of the London, Brighton, and South Coast Railway Company; I am told those are the correct facts?—I stated that they had raised their banks; the Surrey

Commercial Docks were formerly below that line; they have now raised it in order to prevent floods. I did not state when it was done.

1128. I thought you said it was done since 1877?—I believe that a great part has been done since 1877.

1129. But the fact is that it has been done?—Yes.

1130. Now, as regards the East and West India Docks; these particulars that you have given us were probably got up in consequence of the requirements of this Committee in a hurry?—No, I should say they were got up by the last Committee in a hurry, but they have been more carefully surveyed now, and got up.

Mr. Thomas.] They gave us notice of works to the extent of 500 L., and our engineer rather objects to the mode of carrying them out. If this was a Bill which enacted that that should be done, I should cross-examine the witness and call my engineer, but from the form of this Bill, if the Bill passes, they might immediately require us to do these very works, and it would be a waste of your time to lay the matter before you.

The Chairman.] What provision do you object to in the Bill?

Mr. Thomas.] That they may make a plan from time to time: "From and after the passing of this Act the execution of all flood works shall be subject to, and in accordance with, such plans as the Board may from time to time cause to be prepared in pursuance of this Act, or with such plans or specification as the Board may from time to time approve, and such works shall be carried on and completed to the satisfaction of the Board, and, save as aforesaid, no such works shall be commenced, carried on, or completed." Then, in Clause 7, it says, "The Board, as soon as may be after the passing of this Act, shall cause a plan to be prepared, showing the line and level of the flood works." Then, if we do that, the Board may enter upon our lands and do it; that is practically the whole thing. I only put this before the Committee in order to show why I do not cross-examine upon the requirements that have been made, because it would be wasting your time in asking you to try an issue which would have no effect if you passed the Bill.

The Chairman.] We appreciate your wish not to take up our time unnecessarily; would not the point you speak of be one that would be raised upon a clause?

Mr. Thomas.] I should be content to take it in this way, as an illustration of the unfairness and injustice of not allowing us to have an arbitration.

Mr. Cripps.] My learned friend can cross-examine the witness who is here, and if he wants to reserve any question as a question of clause I shall not object to it, but I object to his making any speech about the Bill itself.

1131. Mr. Thomas (to the Witness).] The Bill, I see, gives complete power to execute any works upon the foreshore; it might be so exercised as to affect the entrances to all the docks; the entrances to all the docks are on the foreshore?

shore?—No doubt; there are no works proposed to affect the entrances to the docks.

1132. By Section 14 there is the fullest power to make any works on the foreshore of the river that the Board may think fit, that power is so large that it might be exercised so as to affect the whole of the dock entrances?—As I read the Bill, those works can only be constructed on the foreshore with the approval of the Thames Conservators.

1133. Then we get into another question, that is so far as affects the navigation?—Yes, the Thames Conservators argue that any projection upon the foreshore, anything affecting the bed of the river, will affect the navigation; and I think they have very strong grounds for it.

1134. You say that the dock companies would, in your judgment, have the protection of the jurisdiction of the Thames Conservancy?—Just the same as they have now.

1135. This Bill gives compulsory powers to take any part as it stands of the property of the dock companies, but you surely cannot maintain that that is necessary for the purposes of the Bill. can you?—It may be necessary for the purpose of raising walls, or making walls, to occupy certain property.

1136. Do you mean in the future?—In carrying out this Bill.

1137. Take the cases of the two companies about which I first asked questions; those in respect of which you stated that no works are necessary; how can you support a general power to take compulsorily the lands of those dock companies for the purposes of this Bill?—Because it is in my judgment necessary that, if those works should be modified, or other works should be required at a future time, there should be the means of constructing them.

1138. And you think as to that, as well as to other parts of the Bill, that the Board should be the only arbiters as to whether it should be done, and how far it should be done?—I think they should have a discretion as to the works to be done.

Cross-examined by Mr. Freeman.

1139. Will you take your mind to Limehouse now. Limehouse extends from the Hermitage entrance of the London Docks at Wapping to Limekiln Docks at Limehouse and the river frontage. The works which you require done in that district are of two kinds; public works and private works; is not that so. May I take it that the public works which you require to be done on that river frontage consist mainly of steps?—The public works are the Hermitage Stairs, which require to be raised nine inches.

1140. Is it to consist mainly of steps requiring to be raised?—I cannot answer generally; I will give the facts, which is much better than a general answer. The public works consist of the Hermitage Stairs, which are proposed to be raised nine inches, at a cost of 7*l.*; the raising of Wapping Stairs three inches, at a cost of 7*l.*; the raising of the Wapping Docks six inches, at the same cost; so that as regards the Limehouse district it is proposed to expend 21*l.* so far as the public works are concerned.

1141. I think you say you actually require 47*l.* by the schedule you sent us?—I have omitted one, the stone stairs at Bell Wharf, to provide a tide gate three feet high and seven feet wide, at a cost of 19*l.*

0.82.

1142. That makes a total of 47*l.*?—Yes.

1143. And that is all you require the Limehouse Board to do in their public capacity?—That is so.

1144. Then may I take it that they have done their duty pretty well as regards their public works?—They have raised these places, but they have not raised them high enough, and that shows how important it is for some one governing body to determine the proper height, and have all things done uniformly. The Limehouse Board have done their duty, but they have not quite done it.

1145. The bank behind the stairs is made to slope up several feet higher?—There are several stairs. Which do you refer to?

1146. All of them?—As a general answer, the ground behind at a distance from the river is higher, but I can give a more definite answer if you refer to a particular place.

1147. Are you aware that the ground behind has been made to slope up by the Limehouse Board, and has a wall taken up on each side, so that though the water may come over the top stair, it cannot flood any property?—If you call my attention to any particular works, I will give you an answer, but if you speak generally I cannot.

1148. Take the Hermitage Stairs?—The Hermitage Stairs will be a protection; the road behind it is considerably below.

1149. And the same remark applies to the Wapping Dock Stairs; the bank sloped up?—I do not say that the bank slopes up. I say the road is below, and if the flood gets over the stairs it will flood the road.

1150. Beyond the top stair, does not the bank slope up considerably?—There is a landing. I have given you the highest level you have got.

1151. Is it your opinion that if the water came over the top step it would flood anywhere?—If a tide five feet above Trinity high water occurred, it would flood High-street.

1152. Are you aware that during all the high floods the water has never come over from any of those stairs so as to flood anybody else's land; it has come over the top step, but has been stopped by the bank?—No, the flood which occurred in 1847 was just over that bank, or it was just on a level with it, and a little over it.

1153. That was in 1847, before these works were done. I speak of the period since these works were done?—I speak of these works as they now are.

1154. You do not represent that these works were done before 1847?—No.

1155. I ask since these works were done?—Since these works were done we have not had a very high tide; but what I was pointing at was if such a tide occurred as we have said, it would have been over it, and it is therefore not in a safe condition at this moment.

1156. Now, coming to private wharves, have any of them been raised since 1875 or 1877?—Yes.

1157. But some of them you still require to be raised?—Yes.

1158. What is the reason that in 1877 your estimate of the cost of the works necessary to be done was 2,039*l.*, and, though since that time, a great many wharves have been raised, your estimate now is 3,200*l.*?—When I said since 1877, I meant since that flood; they were all raised before that estimate was made. My estimate was

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made in May 1877, and those wharves were raised immediately after that flood.

1159. Do you mean that none of the wharves have been raised since 1877?—I will not say they have not.

1160. What is the reason that the estimates have risen a thousand pounds, even assuming none have been raised?—Probably upon more careful investigation we find that more complete works are necessary.

1161. Is that the only answer that you can give?—My estimate, which, as I stated to the Committee, was made at the time, in 1877, was one got up under great pressure, it was one got up under the order of the Committee within a few days, so that it was almost an impossibility. I was afraid that it could not be done, but it was looked upon to be so important, that I undertook to collect men and put on a large number of men to make the surveys and get the information, and work night and day; it was not such a carefully considered survey and estimate as we have at the present time.

1162. Now let me direct your attention to another matter altogether. The management of sewers, previous to the year 1848, was regulated by an Act of Henry VIII., was that not so?—I cannot give any answer to that.

1163. It was by various Commissioners of Sewers?—Yes, it was.

1164. And those Commissioners have power to require the owners to do the works, and to fine them if they did not?—Yes.

1165. In 1848, I believe the Commissioners of Sewers were consolidated?—Yes.

1166. And in 1855, the Act was passed which created the Metropolitan Board of Works?—That is so.

1167. I believe that in that Act, and since then, the Metropolitan Board of Works has had no powers similar to these which they are claiming now; is that so?—I would rather not give an opinion as to their powers under their Acts; I decline to give an opinion about Acts of Parliament, or to interpret them.

1168. When this Act of Parliament was proposed and brought in, I dare say you are aware that it was founded on a resolution of the Board, which I find at Question 2013, at page 132 of this evidence of 1877, "That so much of the Report as relates to the question of protecting the Metropolis from inundations from the overflow of the Thames be approved, and in the opinion of this Board it is desirable that they should confine themselves to strengthening the powers of vestries and district boards, to enable those bodies to carry out the provisions of the 69th and 70th Sections of the Metropolis Local Management Act, 1855, and that this Board should have power to intervene, and to require the execution of necessary works." Are you aware of that?—No, I am not.

1169. On the 4th January 1877, you yourself made a report, did you not?—I did.

1170. And in that report it was that you stated, "By the combined effort of a few wharfingers and district boards and vestries, I venture to affirm that it is quite possible, at an expenditure of a few thousand pounds, and within the next six weeks, to prevent the overflow of the Thames within the denser portions of the metropolis by the highest tides that have ever yet been recorded." Is that so?—It was so.

1171. That was your opinion then?—Yes.

1172. You have laid considerable emphasis on

the requirement of having the datum highest line of a uniform height along the banks of the Thames?—Yes.

1173. And that is a reason why you say a central authority is required?—Yes.

1174. Is there any other reason?—Yes, having the works properly and effectually done.

1175. Then you do not agree with what was said by Mr. Roche on the former occasion, who was put forward as expressing the views of the Board, that all the Board then wanted was to have a uniform datum line?—I suspect Mr. Roche did not exclude having the work properly done.

1176. This is what he says at Question 2287: "Is that the only answer that you have to give?—I think I have no other answer. Supposing this Act was passed, and the Metropolitan Board saying to the vestries and district boards, you must take it up to a certain height, one parish might carry it only to a height of two feet; the next might carry it three feet. How do you know they would?—They might, and it was thought desirable as to the height of the walls that they should be carried out upon one general principle which the engineer has suggested; that is all that we want." That is what Mr. Roche said then?—I think you want a little more. You must want to have the works properly done and properly maintained afterwards, that the slide boards are kept in their places, and so on, otherwise you may construct them at first, and they may be of no use when a high tide comes.

1177. The district boards at present have surveyors attached to them, have they not?—They have.

1178. And it is their duty constantly to be examining their immediate district, is it not?—It is.

1179. Does it commend itself to you that they would be the persons most likely from local knowledge to judge best of what is required in their neighbourhood?—I think that supervision would be exceedingly useful, they being on the spot would be able to assist the Metropolitan Board of Works, as it is their duty to do, to see these regulations carried out, but they should be, in this matter, as they are in respect of drainage and other things, under general control; that is to say, the surveyor of a district board carries out the drainage of his district, but his plans are submitted first to the Metropolitan Board of Works, and generally approved. That is the uniform system; it has worked remarkably well, and I conceive that that arrangement applied to this question is the right one.

1180. I will take that answer of yours. You have said that in that case the surveyors of the district boards present their plans to the Metropolitan Board of Works?—Yes.

1181. But in this case the Metropolitan Board of Works present their plans to the district boards?—Where the district boards are in the position of owners, then the Metropolitan Board of Works will give them the plans, and they will be heard upon them if they have anything to suggest upon them.

1182. Do you consider that one of the main reasons why these floods are to be prevented is on sanitary grounds?—Yes, certainly.

1183. Does not it commend itself to you that the sanitary officers of the district boards would be the people best qualified to give the information?—If you mean by the sanitary officers the medical officers, they have nothing whatever to do with it.

1184. The

1184. They have nothing to do with sanitary matters?—Not with the engineering work to keep out floods.

1185. Is it not reasonable in the action of the Metropolitan Board of Works to leave the initiation of the works to be done by and for the district, to the local authority of the district in the first instance?—In the case I have spoken of it is so; in other cases it is not. In the cases of new streets passing through districts, it is so.

1186. I will refer you to this, which was a question asked by the last Committee which sat on this matter; it is Question 3036, on page 201: "Is there any other case in which the Metropolitan Board of Works have taken power to do works not only without contributing, but at the expense of private individuals or public bodies, and without giving them any option?—No, there has been no such power, because there has been no such previous necessity; the necessity is here that the flooding must be prevented, and if the vestry do not do it there must be a power for the Board to go and do the works; there has been no such previous case, and therefore no such previous powers." What do you say to that? Do you agree to that?—No. I say this is not a case where the Metropolitan Board of Works should have power to do works without option; on the contrary, they give the owners the option of doing it, and consult them about the work to be done. They only do it themselves upon default.

1187. In the ordinary sewer arrangement, is not there an arrangement of this kind, that when one parish executes sewers which benefit another parish, but which are not in that other parish, they claim a contribution from the neighbouring parish?—I know of no such power which they claim.

1188. Is it not the fact that the neighbouring parish benefited by the sewer in another parish does contribute to it?—No, I think not.

1189. Sir *Baldwyn Leighton*.] Without being connected?—No, I think not.

1190. Mr. *Freeman*.] In regard to this carrying up of the banks of the Thames in order to prevent floods, you have given your opinion that it is not a metropolitan improvement?—Yes.

1191. And you have also given your opinion that it is no way caused by a metropolitan improvement, namely, the three embankments, executed by the Metropolitan Board of Works?—I have.

1192. I believe considerable works have been carried out by you at Barking Creek?—Yes.

1193. Will you tell me as a fact whether this is so or not, that the area of the embankment is actually less than the total quantity of water taken away in the shape of sewage; may I take that as a fact?—I must put the quantity of sewage into acres to compare it with the area.

1194. If that was said by Mr. Law on the last occasion; do you agree with it?—I do not think Mr. Law made such a statement as that.

1195. It is Question 1358, at page 95: "Do you agree with the view previously expressed, that the effect of the construction of the main drainage system has been to abstract a larger quantity of water discharged at another point than has been absorbed by the formation of the three embankments?—That is a simple matter of fact. I take the facts stated by Mr. Law. As a matter of fact the area of the embankment is somewhat less than the total quantity of water taken away in the shape of sewage." If Mr.

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Law expressed it in that way he must have been referring to the cubical contents of the embankment. The cubical contents of the embankments is taken in tons as about 587,000 tons. The total water discharged at the outfall is about 607,000 tons per day.

1196. May I take this: that the effect of the discharge at Barking Creek, and the effect of your sewage works, have a counterbalancing effect to the encroachment of the embankment?—No, I do not put it so. There is no necessity for any counterbalancing effect.

1197. In relation to floods, if you remove obstructions from the bottom of the river, does it increase the tendency to flooding and make the water come up more rapidly?—If you deepen the river it lets up more water, and the tide ebbs lower and rises higher.

The *Chairman*.] We have had answers similar to this already. What I wanted to say is this, it is desirable to know the object of the cross-examination: is it that the Limehouse district protests against the expenditure of the 47 *l.* which they still have to expend, or that they fear additional expenditure will be necessary, or that they object to certain provisions; it is difficult to follow the cross-examination unless we have an idea of the object contemplated.

Mr. *Freeman*.] The Limehouse Board strongly object to this in any shape being regarded as a metropolitan improvement, and they strongly object to being called upon to contribute anything towards the works of other parishes; the Limehouse Board have done their duty as is shown by Sir Joseph Bazalgette's requirements, of what remains to be done, as far as possible.

The *Chairman*.] That is what I gathered from the petition. I do not want to interfere with any questions that you think it desirable to ask bearing upon that, but quite naturally you were asking questions about what we have had fully before us before.

Mr. *Freeman*.] I will leave that point.

1198. You said that the deepening of the river increases the tendency to floods; has the River Thames been largely deepened for the purposes of the big ships coming up?—It has.

1199. And has that benefited the people on the river side, wharfingers and others?—Yes.

1200. And is that a reason in your mind for saying that the wharfingers ought to contribute or pay the expenses of raising their own banks?—It is.

1201. And I believe, in the report which I have referred to already, you emphasise that in very strong language in several places. I will read this one passage: "Within the last two days I have inspected many of the localities which have been flooded, and in my judgment it would be possible by the expenditure of small sums of money by the owners or occupiers of the river-side property, not in the aggregate exceeding the cost of an Act of Parliament, and in far less time than would be occupied in obtaining such an Act to raise the wharf walls, draw-docks, and stairs, so as to protect the main bulk of the house and wharf property from future injury?—That has always been my opinion, and still is."

1202. According to the provisions of this Bill it is possible for the Metropolitan Board of Works, when they have executed works in any particular district,

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 2 May 1879. district, not to charge that district with the whole cost; is not that so?—I really cannot answer that question.

1203. One question as to the compensation. You say that compensation is only to be given in cases where the land is permanently injuriously affected?—That is so.

1204. In what kind of cases do you consider that would be likely to occur?—In cases where the trade carried on can be shown to have been interfered with by the structural works.

1205. Then what it comes to is this, is it not; than when the man does the work himself, he is compensated for injuriously affecting his own land. Does not it come to that?—Yes; if he can show that those works have injuriously affected his land, he will get compensation.

1206. A great many people along the river have raised their wharves since the flood of 1875 and since 1877, have they not?—Yes.

1207. To those persons you do not propose to give any compensation?—I do not know what the effect of the Bill will be upon that.

Mr. Philbrick.] There is nothing in this Bill proposing to give compensation to the owner, who has carried out works before.

1208. Mr. Freeman.] Then people who have done their duty do not get compensated; the people who have not done their duty will be compensated?—That is so.

1209. And you gave us the figure yesterday. That about 600 out of 1,000 have done so?—Yes, I did.

1210. And the compensation money will come upon the general rate; is not that so?—Yes.

1211. So that if any particular district board have kept up their works particularly well, they have to contribute, afterwards, for the defects of other district boards, who have not done their duty; is not that the effect of the Act?—I cannot conceive any case of a district board making a claim for compensation.

1212. But as to the works of owners who are in the other districts, what do you say?—Then compensation would be paid by all the district boards alike.

Sir Baldwin Leighton.] Are we to understand from what fell from the learned Counsel just now, that the Limehouse Board are not opposing the principle of this Bill, but rather promoting it as far as regards calling upon district owners.

Mr. Freeman.] The Limehouse Board are approving the principle of this Bill in not having metropolitan taxations except for compensation. They object to the compensation being put as a metropolitan taxation, and they object to the Metropolitan Board of Works taking the initiative; whereas they say the district boards themselves are better capable and competent, and have a better knowledge of how to do it.

The Chairman.] Did they petition against the Bill of 1877?—

Mr. Freeman.] Yes, and this Bill is drawn largely upon the lines of their opposition.

Cross-examined by Mr. Balfour Browne.

1213. I appear for Mr. Fergusson, the proprietor of Ward's Wharf. You showed the Committee yesterday a picture of Ward's Wharf?—Yes.

1214. Will you let me look at that picture, and ask you some questions about it?—Yes (handing the picture to the learned Counsel).

1215. In answer to some questions put, in examination in chief, I think you said that two of the proprietors had done all that was required, while the one on the other side had not done so?—Yes, I did.

1216. Are you aware that the whole of this shown on this picture, and the whole shown on that plan, belongs to one proprietor?—No, I am not.

1217. Are you aware that in the two cases in which you have said the works were done by the owners, they have been done contrary to the wish of the owners by the occupiers?—No, I was not aware of that.

1218. Are you aware that the lease of some of these has almost run out, and that these things which have been done at your instance to keep out the floods, will be a serious inconvenience and cause of expense to the proprietor?—No, I am not aware of that.

1219. Are you aware that this wharf has a valuable river frontage?—Yes, it has.

1220. The walls that are built up on the granary stairs there would be an obstruction of the use of the river frontage, in loading and unloading?—No, I think not; but probably from what you tell me, the owner would raise a claim for compensation for what has been done.

1221. If those walls remain, and they are necessary to remain to prevent floodings, will they not be an obstruction to his carrying on his business of loading and unloading on the river?—No, I think not, because you will see that he has provided a slide just opposite to the crane, which can be moved.

1222. I am speaking of this place where the wall has been built up: the crane is *here*, and the sliding board is *here*, there is a river frontage *here*, and the wall has been built up, which will prevent the proprietor loading on the river front, because he cannot get carts along there now?—The occupier has done that, you say. It is clear that the wall is no inconvenience to the occupier, or he would not have put it there.

1223. Sir Baldwin Leighton.] Are we right in understanding that it is in one ownership; it is in three occupations?—I called it three owners; but they are, in fact, three occupiers. I should like to answer the last question. I have stated that that wall clearly was no inconvenience to the present occupier; if another occupier comes there, whose business is something of a different character, and he wants to get through the opening where the wall is, he will put a slide in instead of the wall, and he will get through as conveniently as before.

1224. Mr. Balfour Browne.] Then that work which has been done is not permanent, but temporary?—No, it is permanent, as far as it goes.

1225. Until you order him to take it away?—I should never order him to take it away. I am quite satisfied, personally; but you put the case that it might be a very inconvenient thing for some other business, and I pointed out that if it is, the next occupant of it might alter it to suit his business, and I am sure if he does it in a proper way, with sliding boards, the Metropolitan Board of Works would not object to his doing it.

1226. The

1226. The *Chairman*.] What would be the cost of the change?—£. 7 or 8 l.

1227. Mr. *Balfour Browne*.] You think the cost will be 7 l. or 8 l.?—Yes.

1228. As to those sliding boards which you say might be substituted, would they be under Clause 8 of the Bill, under which the Metropolitan Board of Works can allow a temporary dam?—That appears to be the clause.

1229. By Section 8 of the Bill, the Board has power to allow works of a temporary character upon certain regulations and restrictions?—Yes.

1230. The Board has the making of the regulations and restrictions?—Yes.

1231. They are not to be submitted to any public authority, such as the Board of Trade?—They will be prepared and submitted to a public authority, that authority being the Metropolitan Board of Works.

1232. The regulations and restrictions that are made under this section are to be submitted to a public body?—They will be prepared by the legal officers of the Board, and submitted to them for consideration.

1233. There is no power in the Bill, is there, for any modification of your regulation?—Yes.

Mr. *Cripps*.] If they think temporary works of any kind at all will do, they must be temporary works subject to their permission.

1234. Mr. *Balfour Browne*.] If the temporary work is anything like the sliding board up here, it will be subject to any restrictions or regulations which the Metropolitan Board of Works may propose?—I do not apprehend that you would put a sliding board along the whole of the wharf, but would put sliding boards where they were needed.

1235. What is the length of this wharf; how much water frontage is there?—Seventy-eight or 80 feet.

1236. Eighty feet of river frontage?—Yes.

1237. What is the length of the dock?—One hundred and seventy-five feet.

1238. That is double frontage?—Yes. When you say that is double, one side is protected.

1239. At the present time it is protected without the permission of the proprietor?—

Mr. *Philbrick*.] That is what you suggest; there is no proof of it.

Mr. *Balfour Browne*.] I suggest it to Sir Joseph Bazalgette.

1240. You know, as a fact, that a notice has been served upon Mr. Fergusson for the whole of the three properties?—I do not know that.

1241. You could find it out if you looked at the papers and saw it?—Yes.

1242. That would be a proof that the proprietor was Mr. Fergusson?—Yes.

1243. As to temporary works, is there any provision at all in the Bill providing that your regulations and restrictions are to be submitted to anybody but yourself?—No, they are to be submitted to the approval of the Board.

1244. That is a demand upon your part for the unlimited confidence that Mr. Richardson referred to?—Yes.

1245. Supposing those works are not done by the owners whom you command to do them, and the water does flood the land behind it, what

will happen?—The water will run into Cromwell-road, and flow right and left, and I do not know what damage it will do.

1246. When this Bill passes, how are you to enforce the carrying out of the orders you give to the various owners?—That is not an engineering question.

1247. I beg your pardon, it is a question which you volunteered the information about yesterday; you said you proposed to have fines?—Yes; in the Bill it is proposed to have fines if the temporary boards are not in their place.

1248. What will happen to all the people that are flooded, even if you do exact your fines; are they to be compensated?—They would be flooded in that case as they are now, and the object of the Bill is to prevent that.

1249. The fine will go into the hands of the Metropolitan Board of Works, but the water will go into the houses of the inhabitants; is that so?—I do not know what will be done with the fine; possibly the fine might be applied to the relief of the inhabitants.

1250. There is no proposal in the Bill to do it, and no proposal in the Bill to compensate the inhabitants for any injury that may be done them?—I do not know that there is anything to prevent it.

1251. Over what area did the recent flood of 1877 spread?—The largest area was that in Lambeth, where the London and South Western Company's premises were overflowed; that was by far the largest and most calamitous.

1252. Can you give me any idea of the damage done by that flood?—It was very serious indeed; it was not to be measured in money; but in the real sufferings of the poorer classes. At the same time all those works which are most wanted to save the poorer classes, are done; and it only now requires these small works comparatively to make the whole thing complete.

1253. At the time there were very large public subscriptions got up for the poorer inhabitants, were there not?—Yes.

1254. Amounting to thousands of pounds?—Yes.

1255. And the damage that was not compensated by the public subscriptions has been a very large figure indeed?—Very large.

1256. Millions, in fact?—Not so much as that.

1257. Hundreds of thousands?—I cannot say that; possibly.

1258. Supposing the proprietor or occupier of this wharf does leave his door open, and floods a district at all comparable with the one that you have spoken of in Lambeth, do you fine him sufficiently to compensate the inhabitants of that district?—No; I hope to fine him sufficient to make him keep his door shut.

1259. And if he does not keep his door shut; if in one case he turns bankrupt and runs away, what happens then? The whole of the district is flooded, and there is no compensation?—The fine would not be recovered in that case.

1260. You take power under this Bill to order the proprietor or occupier of the place to do the works, do you not?—Yes.

1261. Is that construction to be under your inspection?—Yes.

1262. Can you tell me whether you think it a convenient way that one party should do the work and the other have the power of expending the money?—Yes; the owner should expend the money

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money and do the work, and the public body inspect it afterwards.

1263. Supposing the works are not done according to the plan you prescribe; supposing you order them to build a brick wall, and instead if that they put up wood and back it with clay, of permanent injury is done no compensation would be given, is that so?—I cannot say.

1264. Can you give me an opinion?—No.

1265. You do know a good deal about law?—A very little.

1266. I may take it that the compensation payable, if the damage is done, would only arise in case your plans have been carried out?—That I cannot answer.

1267. Do not you think it probable that it would be so?—I should think so.

1268. So that if I do carry out your work, and put an inch too much, or an inch too little on, though I keep out the water, the permanent damage is done to my wharf, and I shall not get any compensation?—It will make you more careful to put a sufficient number of slides in.

1269. The *Chairman*.] The question which the learned Counsel has asked has suggested a question which I should like to ask; have you formed any estimate of the amount of damage caused by the floods that you have now tried to prevent?—No, it is impossible to form an estimate of the amount of damage done in 1875 and 1877.

1270. There has been no estimate?—I never heard of one.

1271. The Committee are new to the facts, there has been no approximate estimate, would it be half-a-million or a couple of hundred thousand pounds?—I am afraid that I could not guide the Committee between those figures. It would be an exceedingly difficult thing to get that estimate in money, because it was damage to a number of small houses, damage to furniture, persons' clothes, and personal inconvenience and injury.

1272. The learned Counsel brought before us, by his questions, the great injury that had been done. I did not not know whether there was an estimate of it?—I have a very strong opinion that the injury done was greater than the cost of the work of preventing it, if the works beforehand had been done.

1273. Mr. *Balfour Browne*.] As to that appeal that I say should be given in case of the objection of the owner being disallowed, you say that there is no provision in the Bill for such an appeal?—No. The Metropolitan Board of Works have been entrusted with very much larger and more important works, and affecting larger interests than this matter, and I think they are a very safe body to have the control of works that are in the aggregate to amount to 50,000*l*.

1274. No doubt that is your opinion, but I am sorry to say we do not think it is a matter of 50,000*l*; it may be a matter of 150,000*l*. or 150 millions, for anything we know from your estimate?—The Metropolitan Board of Works have had without reference to anything else, the expenditure of many millions of money.

1275. They got Parliamentary sanction to the expenditure of a certain amount?—Yes. There is no reason, that I know of, to believe that Parliament did not do right in giving them that sanction, or that they have not exercised their power in a proper manner.

1276. Do you know that in the City of London Sewer Act of 1848, there was such an appeal as

that which we are anxious to have in this Bill?—No, I do not know that.

1277. Do you know whether in the Building Acts there is always such an appeal to the Board of Trade?—No, I am not cognisant of it.

Re-examined by Mr. *Philbrick*.

1278. A question or two as to what was last put to you. My learned friend has asked you some questions about what would happen, if the Bill were to pass, as to compensation. Supposing the Bill, or some measure of this kind, does not pass, is there any compensation to any people for the damage done to them now by the floods?—None, of course.

1279. And with reference to the cases where the owners or occupiers have done the work themselves, which have had the effect of benefiting themselves, and preventing floods more than once in a district, is it not proposed to give them any compensation under the Bill?—So I understand.

1280. We heard a great deal about the vestries and district boards having the duty cast upon them of maintaining their districts free from floods. Take the case of Fulham, do you know whether or not the district board has fulfilled its obligation?—No; I have given a large number of cases where they have not discharged it, and I have shown that in Limehouse, where they have done a great deal of work, they have not discharged that obligation; they have just left it short of what they ought to do.

1281. Has Fulham done anything as a district board for itself, or to enforce on the owners in its district the duty which the 69th section casts upon them?—No, I think not.

1282. Take the case of the dock companies who are represented by my learned friend Mr. Thomas. Are you aware whether in all the great docks, the Victoria Docks, under the charge of the London and St. Katharine's Dock Company, and others, the statute prescribed a certain height for the dock wall to be raised to?—No, I do not remember that.

1283. Are you not aware of the recent litigation, where the company had not raised the wall up to the statutory height, and they were liable to the owners of the goods upon their premises?—I am aware of the fact that there was litigation upon that.

1284. Are you not aware of the details?—Mr. Bramwell can tell you all about it; he was in that case; I was not.

1285. As I gathered from the questions asked by my various friends, these estimates we have here have been taken out with considerable care for the present Bill, and you have confidence in their being approximately accurate?—Yes.

1286. It has been suggested to you by my learned friend Mr. Bidder, that the floodings of the higher tide in the river have been in part due to the 51 acres being used for the site of the embankments; what do you say to that?—I have expressed my opinion that those embankments have not caused any increase in the height of the floods; but I would say that Mr. Law and Mr. Bramwell, who follow me, have, whilst I have been engaged in getting out particulars of the works along the foreshore, paid particular attention to that subject, and they will be able to make it perfectly clear to the Committee.

1287. It has been suggested that there is a certain amount of unfairness in requiring the owner

owner or occupier of waterside premises which are valuable to do works which at present he has not done, although he is carrying on his trade there. Let me ask you if they do not require the works for the purposes of their business, do you still think it unfair to charge them part of the expense of doing what is required in order to prevent the floods getting to their neighbours?—I do not.

1288. What are your reasons?—I thought from the first, after those floods occurred, and I clearly expressed that view in my report of the 4th of January 1877, that it was the duty of the owners of property to keep up their wharves to prevent floods; and I saw that it could be so easily done by them, that I felt strongly convinced that there would be very little difficulty in showing them that it was an obligation and a duty imposed upon them, and that they would do it, and it was after taking that view that I advised the Board to write letters to the owners of property, asking them at once to raise their wharves, and telling them what height to raise them; and that that view was correct was shown by the very large numbers who responded to that call; they were under no legal obligations, but they did it voluntarily; I think they felt the force of the call upon them.

1289. If you refer to the proceedings of 1877, though it was not the proposal of 1877, that was the view you then expressed?—Yes, personally, I did not agree with the view in 1877, and I stated to the Committee that my view was that the owners of the property were the proper people to do it.

1290. As Questions 361 and 362 on page 26 of the minutes, you expressed that same view?—I did express that view.

1291. Let me ask you one thing. Whatever may be the circumstance of the particular trade a man happens to carry on in a wharf, is it an undoubted fact that the wharf property would be more valuable by reason of it not being flooded?—Yes.

1292. So that though the particular requirements of the individual occupier might render it immaterial to him whether he raised it or not, yet regarding it as waterside property, the raising would be beneficial?—Clearly, if you take the case referred to just now, it was shown that the interest of particular occupiers may vary, but clearly as regards the owners of property, if it is raised above flood level, it must be more valuable than if subject to floods.

1293. Then if my learned friend's client were in this position, that he ran away from his premises and deserted them, and let the tide boards take care of themselves, would that be likely to happen with valuable property of this kind?—No, I should think that is rather an imaginary case.

1294. Sir Charles Dilke.] There is one point in your evidence that I am not quite satisfied with, and as to which I wish to ask a question, that is as to the keeping in repair of the banks; have you ever made any calculations as to the cost of keeping the banks in repair where they are subject to being swept by wind waves on the Thames?—The experience I have upon that is, that we have banks at Crossness and at Barking; we have never been called upon to expend any money upon the banks at Crossness, but we have been once called upon to make an expenditure for keeping up the banks at Barking.

0.89.

1295. Are not those banks wide banks, which were very well executed in a costly way at first, and not long ago?—No, these are old banks.

1296. They are not very wide ones?—No.

1297. The banks at Fulham you told us of are very narrow banks, and you calculated that they can be cheaply rebuilt?—I made provision for making them much wider, where they are too narrow. I would put a sufficient amount of stuff at the back to widen them. (*The Witness produced a plan of Fulham.*) My estimate is formed for making a substantial bank.

1298. Have you made any calculation of the cost of keeping such a bank in repair?—I think it would be very small; just at first when the ground is just put in there may be a little settlement of it, and it would be necessary to have a little added a year or two afterwards; but, when turfed over, it would stand a long time.

1299. You know the towing-path bank, above the metropolitan district, the bank in Corney Reach, for instance, and the bank between Twickenham and Teddington, on the towing-path side?—I have not examined them; I know of their existence.

1300. There is a considerable expenditure there in keeping them in repair; large repairs are done every year, are they not?—I am not aware of that.

1301. You have not made any special estimate as to the cost of keeping such banks in repair?—The whole of the River Thames is protected by such banks from its mouth downwards, and the cost of repairs is not very great, I think. Those banks at Fulham, which are at the back of the Saltings, would require much less repair than a bank close upon the banks of the river.

1302. I speak of those in front?—With those there would be more repair.

1303. It was stated by one of the learned counsel in a question which he put to you, that there was a Return placed before the Committee two years ago as to the amount of money which has been spent by the Metropolitan Board of Works in contributions or gifts for improvements in various parts of London. Do you know of such a Return?—No, I do not.

1304. As you are an important witness connected with the Metropolitan Board of Works itself, I should like to ask the Metropolitan Board of Works through you whether they could place such a Return before us. We are told that it was placed before the Committee two years ago?—

Mr. Cripps.] We will take a note of any question you ask, and if it can be answered by any future witness it shall be done.

Mr. Pembroke Stephens.] It was cross-examined to upon the last occasion; at page 198, Mr. Roche was asked, "Have they made very large contributions to all the parties represented here opposing the Bill;" of course I speak as to vestries and district boards?—They contribute in all parts of the metropolis, and that occurs in several parts of the evidence.

1305. Sir Charles Dilke.] I have asked the question sufficiently to bring it before the Committee. I noticed that at page 36, Questions 522 to 527, two years ago you were examined upon some questions which seemed to have grown out of that Return. I will ask you much the same question again, just to bring it before the Committee.

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mittee. Are you aware of any works whatever in the Fulham district to which the Metropolitan Board have contributed?—I do not remember at this moment.

1306. You were asked that question in 1877, and you said that there were none?—Yes.

1307. There is another question I want to ask you growing out of the answer given to Mr. Freeman; he asked you whether the floods had increased by the deepening of the river bed, and you said you thought they had; and he asked you whether the deepening was for the purpose of allowing big ships to come up, and you said it was; and he asked you whether the wharfingers did not benefit by big ships coming up, and you said they did; but, as a matter of fact, do bodies like the Wandsworth District Board, or the Fulham District Board, or the frontagers in the upper part of the Thames, benefit at all in a direct way by big ships coming up?—They do not benefit at all in a direct way by big ships coming up, but they are benefited by the deepening of the river lower down, because the tendency of it is the deepening of the river higher up; you deepen the river below and you get the scour increased, and you get the general bed of the channel of the river improved.

1308. At the same time, you admitted that they also might suffer from it in the increase of flood?—Yes.

1309. Mr. Chamberlain.] I suppose you could not answer the question as to whether the other local authorities that have been represented here have received, with respect to their districts, any contribution for works from the Metropolitan Board of Works?—I could not off-hand.

1310. Mr. Birley.] You said yesterday, in answer to a question from the learned counsel in cross-examination, that there are other localities in London, not riparian, suffering from these floods?—Yes.

1311. And Islington was mentioned?—Not floods from the river; that was rain water.

1312. You have a scheme in Islington to protect from rain water floods which will be a metropolitan improvement?—Yes.

1313. Mr. Wilbraham Egerton.] I want to ask a little more fully as regards Fulham and Wandsworth; you have not told us how much of the embankment is intended to protect house property, and how much market garden, or agricultural land, which might not be injured by being flooded?—The market gardens would be considerably injured by the floods, and I am afraid I cannot divide the lands from the number of houses that would be saved from flood, without looking carefully into it with that object.

1314. I think it would be desirable that the Committee should know that with regard to Wandsworth and Fulham, because there is a little difference between protecting land covered with houses and land which is merely market gardens?—Yes, in no case do we intend to protect merely market gardens. In Wandsworth, where there is no house property protected, we have left it alone; Beverley Brook, for instance; I pointed out all the works we propose at Wandsworth, appear to be for protecting houses.

1315. Is there any case where meadow land has been embanked, which would tend to increase the value of the land for building purposes if the tide is kept out?—No bank has been constructed with that object.

1316. I want to know whether it has that

effect; I want to know the fact whether any land which is simply market garden or agricultural land is proposed to be embanked, which would have the effect of making that land into valuable land fit for building upon, the same as if you were to embank the Salting marshes, and make them fit for building; I only speak of Wandsworth and Fulham?—In Fulham some of the banks would protect the land.

1317. It would have the effect I mentioned?—Yes, it would have that effect. That is to say, land which is flooded is not fit for building, and if kept out it would be more fit.

1318. I think we should know as to Fulham and Wandsworth, how much it would affect?—We can get out a return of that.

1319. Viscount Emlyn.] Can you tell us what amount of the frontage of the same river bank in Fulham is road?—Nearly half a mile of road.

1320. That is out of the four and a-half miles?—Yes.

1320.* Sir Charles Dilke.] You said road; do you mean streets under the definition of your Bill, including footpath?—I do not include footpath.

1321. Viscount Emlyn.] Have you a return of the whole of the roads which formed the river bank?—No, I cannot give it you off-hand.

1322. Sir Charles Dilke.] Can you tell us how much footpath there is in Fulham besides the half mile of road where there is a public right of way along the top of the bank?—I apprehend almost always wherever there is a bank along the river there is a public right of way and a footpath.

1323. Can you tell us the amount in Fulham?—Four thousand eight hundred feet of footpath, and 4,290 feet of road.

1324. Viscount Emlyn.] Is that all that would be repaired under the Bill at the cost of the district of Fulham?—No, some portion of the bank over which there is a footpath would be repaired by the owners of property behind it.

1325. Though the actual right of way would not be the property of the owners?—That is the case all along the banks of the Thames. Take the banks round Barking, there is a right of way along the banks; nevertheless, the owners repair those banks.

1326. Then, it appears in cases where there are docks, there can be no right of way on the bank?—In some cases there are rights of way across the entrances of docks; they keep them up all along the margin of the river.

1327. The right of way along the river bank does not belong to the person owning the premises on the banks?—No, there is a right of way over all the property, the same as through a gentleman's park.

1328. Would it be possible that a road which is now repaired at the cost of the district, being a river bank, would, under this Bill, have to be raised by the owner of the property behind this bank?—No, I should think not. I should think that if the district board maintain the road, they would be the proper authority to do all other works in connection with that road.

1329. That is your opinion of the power of the Act; there is no power to saddle any one with the cost of raising the bank, except the person who now keeps it in repair?—I cannot interpret an Act of Parliament. I only express my view, and a common sense view of the thing.

1330. That

1330. That is your opinion of what ought to be done?—Yes.

1331. Mr. *Maurice Brooks*.] I would like to ask you as to the dimensions of those slides; what are the ordinary dimensions of those slides, a model of which you showed us, with a gibbet?—They are generally five or six feet in width, and the depth being whatever depth is required to add on to the height of the wall to make it five feet above Trinity; that is, varying from 18 inches to two feet, or two feet six inches, perhaps, varying according to the requirements of the premises themselves, and consulting the convenience of the wharfingers.

1332. There would be no great difficulty in making them eight or ten feet?—None whatever.

1333. Are any of them self-acting; supposing any of them were hinged to the sill, they would lie flat when not in use?—Yes.

1334. And in the high tides they would assume a perpendicular position?—Yes, we have got out designs for them in that way; they might be iron frames outside that should lie down; you could carry on the trade over them, and they would not appear at all; and you could turn them up after the business was over.

1335. If it was compulsory to make them in that form it would avert a very great danger, would it not?—It has been mentioned that the slides may not be put down, and that the tide might come in at night, or on Sundays, when persons are not upon the premises?—Yes.

1336. And the district suffer from the inundation?—Yes.

1337. That was one thing that was mentioned?—Yes.

1338. If they were self-acting that danger would be averted, would it not?—I did not understand that they were to be self-acting.

1339. Could not they be made self-acting; being hinged to the sill if there was a vacuum, it would make them float, and as the water came under they would assume a vertical position?—It is possible something of that kind might be done.

1340. You have not thought of making self-acting slides?—No.

1341. Can you tell me as to the police patrol; there is a river police patrol, is there not?—Yes.

1342. If it was the duty of the police patrol at the time of high water to see that these flood-gates were in position, the danger that has been spoken of would be thereby averted, would it not?—No doubt the police patrol would be called upon to do that; that would be one of the regulations, and it might be a very convenient thing to give a part of the fine or the reward to persons giving information when the slides were left out, and that would make persons on the alert to keep the gates closed.

1343. Under whose control are the river police?—Under the control of the police authorities; the police are not under the control of the Board, but the two bodies acting together. The police authorities are always ready to give every assistance to the Board of Works in carrying out anything for the benefit of the public.

1344. The police are under the control of the Metropolitan Police?—Yes.

1345. If the omission or neglect to keep the slides in working order was made a misdemeanor.

meanor, and punishable, that would also avert the suffering that is entailed on those persons who live on the river side?—No doubt it would have that effect, but it can hardly be necessary to make it that, I think; the fine suggested in the Act of Parliament will have the desired effect.

1346. But to make it a misdemeanor would also avert the losses that occur in consequence of persons of no property, not having the means of satisfying fines, neglecting to do what it is their obvious duty. If it were found to be necessary, it might be done, of course.

1347. But you do not see any difficulty in making those slides self-acting?—I do not see why they could not be made self-acting; the slide shown to the Committee has a shoot; those shoots are always put up for the protection of the shoot itself, and as the shoot is put up the slide comes into its place, and so far it is self-acting; it would be the duty of the man at the wharf closing the wharf, as he shut the doors and fastened the shutters, to push down the slide and push it into its place; that would be part of the shutting up of the premises.

1348. And, I think, neglecting to do it ought to be punishable as a misdemeanor; there is also no difficulty in having the slides hinged to the sill, and closing them from the footing, is there?—I do not see how they are to be made so: we propose to have them with a hinge to the sill, to shut out the tide that way; but I do not see how you can make them self-acting.

1349. Sir *Baldwyn Leighton*.] At Fulham, I suppose, there is no case in which the proposed bank only affects the owner of the land flooded; it is generally mixed ownership?—It is.

1350. Is it always a mixed ownership?—Yes.

1351. There is the case of market gardens, where 600*l.* is proposed to be expended?—Yes.

1352. That would be a case of mixed ownership?—Yes.

1353. I used that as an instance; there is another of some chemical works, where 400*l.* was supposed to be expended?—With regard to the chemical works, the wall is out of repair, and has to be rebuilt.

1354. There is property that would be affected at the back of it, is there not?—Yes.

1355. There is hardly any case in which the owner is only affected?—No; in every case the other property adjoining would be affected.

1356. In page 108 of the Evidence of 1877, you mentioned the words "existing walls;" you say, "in addition to which, some of their existing walls are very much out of repair;" I suppose over all this ground there are more or less existing walls, or banks of some sort?—There are.

1357. Are you aware who has put them up, or who repairs them?—I suppose the owners put them up and repair them.

1358. I am not speaking of any road wall?—You are speaking generally of banks and walls existing upon the river which have been built by the owners, and which have been hitherto repaired and kept up by the owners.

1359. Excepting some walls upon the roads that have been repaired by the parish or district?—Then they in point of fact represent the owners.

1360. On page 9 of your evidence of 1877, I 2 about

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about the middle of the page, you say, "At Fulham, Battersea, and Wandsworth, and above the metropolitan area, earthen river banks might be raised and maintained by the owners under the direction of a controlling authority, as are now the banks of the Thames, which from time to time immemorial have, under various ancient Commissions, been maintained for the protection of the low levels and marsh lands below London." That refers, I suppose, to Plumstead and Greenwich?—The whole bank of the Thames; the Thames at one time overflowed an immense tract of land, and was reclaimed from that land by embankments, and those embankments have been under certain conditions maintained by the owners, made, repaired, and kept up under old Acts of Parliament.

1361. Are you familiar with the case we had before us on the first day, at Plumstead, where it was settled by the courts of law that there was to be an assessment upon what is called the area of benefit?—No, I do not remember that.

1362. I suppose this refers to some such arrangement as that?—No; it refers to the maintenance of the bank by the owners themselves.

1363. Not by any assessment upon any area?—No.

1364. When you refer to the low levels of marsh lands below London, do not you refer to Plumstead and Greenwich?—No; I referred to no particular place, but to the general rule down the banks of the river, the whole way to Sheerness.

1365. You did not refer to those special instances?—No.

1366. You are not cognisant of the circumstances of them?—No.

1367. As regards the soil slipping, there would be no difficulty, would there, from an engineering point of view, in piling, puddling, or cradling the bank, to make it stand?—The tendency to slip into the river and wash away is greater lower down the river than up above London; there is a greater tide-way, and there are more large steamers washing it; and what they do there when the bank is washed away, is to pitch the slope roughly with stones, and that is very effectual indeed.

1368. That would add to the cost, would it not?—There is no necessity at present to go to any expense above bridge.

1369. Still, it could be done if necessary?—Yes.

1370. Pitching banks does not represent any engineering difficulty?—No.

1371. The learned Counsel asked as to the flood-gate on the Wandle; it was suggested that a flood-gate would stop the water coming down?—That seemed to be the idea running in his mind.

1372. You say that when the upper water was at all above the lower water, the gate would move and let it out?—Immediately.

1373. Even if it were two or three inches below?—Yes.

1374. You do not apprehend that the floods would be bolted back by the low water?—No; the moment the water below the gate is an inch higher than the water above, the gate will open, and the water on each side will flow till it attains the same level.

1375. You are quite persuaded of that?—It is not a matter of opinion; there are a number of these sluice gates in existence; if you take Norfolk and Lincolnshire, they are protected by them entirely.

1376. Would the sluice be something like the size of that door behind you?—It would be the full size of the stonework there, I daresay. I do not know the exact dimensions.

1377. Are you acquainted with floods in other rivers in different parts of England?—Yes. have had a great deal to do with them.

1378. And as to the high water, and the causes of it?—Yes.

1379. I suppose the improvement in the drainage of lands has increased floods a little by bringing the waters down quicker, has it not?—At a certain time of the flood it brings them down quicker, but after long rains, when the soil becomes saturated and the water has accumulated upon the surface, it comes off quicker; there are certain times when the drainage comes down at one part of the tide quicker, and at other times it will not come so quick. It varies under different rains, and under different circumstances.

1380. And according to the wind?—I believe the great cause of floods in the River Thames is the wind.

1381. Backing up the water?—When we get northerly wind coming down the North Sea, and heaping up the waters of the sea, it brings them into Sheerness in a large wave. Then on the 4th of January 1877 there was this remarkable occurrence, that the wind, after having blown from the north and bringing the sea flowing in from the North Sea, veered round to the south-west, and brought the sea up from the English Channel to meet it, and the two, coming together, heaped up the water to an unprecedented height.

1382. Without going back over all the points we have had in this book and in this room, your opinion as regards these two or three high tides is that they were caused by a combination of what I may call natural circumstances; assuming that the drainage of the up-lands might be called a natural circumstance, namely, by the wind and high tide, and to their happening together, rather than by an artificial work like an embankment, the removal of bridges, or the dredging of the river?—That is my opinion; my opinion is that the dredging of the river, the deepening of the channel, and the removing of obstructions, let up more water, scoured the river more, and cleared it out and improved it for navigation, but at the same time made a small increase in the height of the tideway, and that these extraordinary high tides are caused mainly by the state of the wind at that moment.

1383. An artificial work might make the difference of inches, and natural causes might make a difference of feet; is that what you mean?—That is so.

1384. We have a table of tides here up to 1877?—Yes.

1385. There has been nothing so high since?—Nothing.

1386. Can you say as regards the average of tides, I do not speak of spring tides, but ordinary tides, has it been higher since the building of the embankment; has it affected the ordinary high-water mark or not?—I think not in the least.

1387. Not perceptibly?—No.

1388. That is a fact you are able to speak to?—No, it would require very careful observations.

1389. I do

1389. I do not speak of an inch or two?—Certainly not beyond that; my view is that it has not affected it a bit, but if you go to figures you must take careful observations from day to day.

1390. Is it not the case that there has been any alteration of high-water mark since the Embankment has been made, is it?—No.

1391. When it was argued that the removal of Old London Bridge, or any old bridge, and the building of the embankment caused higher floods, they would really *pro tanto* balance one another, would they not, because in the taking down of a bridge you widen the sectional area; in building the embankment you narrow the sectional area, not equally but *pro tanto* the one acts against the other; would not that be the case?—That is so to some extent; there is a little less water comes up on account of the embankment.

1392. If increasing the sectional area increased the water, that narrowing of the sectional area could not have the same effect; it would have the opposite effect?—I do not think it would either increase or decrease it.

1393. But if it did that, *pro tanto*, it must have the opposite effect?—Yes.

1394. As regards the area of damage in Lambeth, you say it is now provided against by their having built up wharves, and so on?—Yes, in the main.

1395. If such a flood occurred again, it would not do the damage in Lambeth, whatever it did elsewhere, would it?—It would not do anything like the amount of damage; the poorer property, where they suffered so much, is now protected.

1396. Is any of that now dependent upon slides?—Yes, not the particular property at Lambeth, which is protected by the South Western Railway; there is a quarter of a mile of embankment formed by them which has in point of fact been a great protection to the property behind them: there are no slides there; at the same time there are other places where there are slides.

1397. And you are in this position, that though the Lambeth district is pretty well guarded against a flood, if there was carelessness in attending the slides, there still might be a serious flood there even now?—There might be a considerable amount of damage.

1398. A place was mentioned called Waterside, some cottages at Wandsworth?—Yes.

1399. That is a place which the water exceptionally affected?—Yes.

1400. And is it proposed to put up what you call campshedding?—Yes.

1401. Which consists of piles driven into the river?—Piles planked.

1402. Is there some old campshedding there already?—There is.

1403. Which is out of repair?—Yes.

1404. It is not efficient?—No, it exists, but it is defective.

1405. Who put it up?—I presume the owner.

1406. Is it kept in repair by anyone?—Any repairs that are done to it must be done by the owner.

1407. Has it been repaired; are there any marks of repair?—None.

1408. You do not know about its being repaired, you only know that it is there?—Yes.

1409. It is in a ruinous state?—Yes.

1410. It has never been repaired by the district?—No, I think not.

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1411. Sir Trevor Lawrence.] If under Section 14 of the Bill the owners in the district do not do the repair, and the Board has to do it, are you prepared, upon your reputation as an engineer, to undertake all the works for the sum mentioned on behalf of the Board, the works described in your various plans and schedules?—Yes, the estimate is a liberal one for the works as described; but I may add that those works will have to be modified in carrying them out; that is to say, if the owner of a particular property objects to those works, and says they are very inconvenient and objectionable, the object would be to see the owner and confer with him, and it may result in a modification of the works, and, therefore, a modification of the estimates; but if the works were carried out as laid out, no doubt they could be carried out for the money; because, in order to make it sufficient, I have added 25 per cent. to what I consider a fair estimate.

1412. You cannot help looking to some slight extent upon the estimate as an adverse estimate; that is, adverse in this sense, that it is an estimate more with a desire to show that this expense is not a serious one; and of course an estimate for works which other people are to make sometimes varies a good deal from an estimate to be carried out by yourself?—I may say, on the contrary, that is a very full estimate; what has governed me in making the estimate is an endeavour to protect my own view, to see that the works may be carried out; and, in many instances, they may be carried out for less than the estimate. It is usual for engineers to add 10 per cent. after they have made what they call a fair estimate, but I have added 25 per cent. for contingencies.

1413. Nearly six miles of the river bank is in the Wandsworth Board district; how much of the proposed works will consist of banks, how much of timber paling, campshedding, and how much wall; have you got it roughly?—It would be difficult to get it out now.

1414. How long do you consider that timber piling, if properly executed, should last?—Very many years.

1415. Twenty-five years?—More than that.

1416. Is there any accommodation on the Wandle of the nature of a wharf or other works of that sort above the place where you propose to put your flaps?—No.

1417. Nothing of any sort?—No.

1418. Do not barges go up the Wandle at all?—Barges go up one branch of the Wandle, the small navigable branch, and that we keep perfectly clear.

1419. That would be below your flaps?—That is not where the flaps are; that is a separate branch; we put no flaps upon that. There is another branch which has mills upon it, and the flaps will be above the lowest mill.

1420. Mr. Pembroke Stephens.] May I suggest a boat going up the river?—Boats cannot get through the mills. No boats go up there.

1421. Sir Trevor Lawrence.] Have any works been executed by the Metropolitan Board of Works out of funds raised on the metropolis in the Wandsworth district?—In the shape of sewerage?

1422. Part of the general system?—Money has been expended in all the districts.

1423. But has it been expended upon any works special to the district?—I do not remember any.

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1424. The Wandsworth district has contributed like other districts to works in various parts of the metropolis, from which the district itself derives a very indirect benefit, if any at all?—It does derive benefit if more indirect.

1425. From works in some of the northern parts of the metropolis, there is no benefit derived by Wandsworth?—Except that we all living in London derived benefits from metropolitan improvements.

1426. Very general benefit?—Yes.

1427. Mr. *Alexander Brown*.] I want to ask you one or two questions about the river; is it a fact that the floods have been promoted by the dredging of the river?—Yes.

1428. More by the dredging of the river than by the Albert or other embankments?—Yes; they have not been affected by them at all.

1429. Do you put it in this way; that it is not by the embankments at all, but by the dredging of the river?—Yes.

1430. Who is responsible for the dredging of the river?—The Thames Conservators.

1431. Then under their Act they have done something which has promoted flooding?—Yes, their works have tended to increase the flooding.

1432. Has the Metropolitan Board of Works any control over the dredging of the river?—None whatever.

1433. I want also to ask another question; I think you explained that if the embankment was made partly across the river, the tide would possibly rise higher against it than it would against Sheerness; there might be a higher rise of the tide against the embankment than there would be at Sheerness?—The force of the tide coming up would rise just at that point a little.

1434. And that is on account of the trumpet-shaped character of the river?—Yes.

1435. But beyond that, there would be no rise of the tide, would there?—No.

1436. It is the mechanical action of the pressure of the banks against the water in the river which brings it up?—Yes.

1437. Supposing the water was to escape over the banks of the river on to the lands, would or would it not raise or lower the level of the water in the river?—It would do neither.

1438. And why would it do neither?—Because the tide coming up to a certain level, if it overflows the banks, the tendency is to lower the level of the water, and there being a greater head of water behind supplies more water, and it flows more rapidly to fill up that space.

1439. In fact you are drawing water from an inexhaustible source?—Yes; if you have a larger space to fill, more water will come in; if you give a smaller space, less water will come in.

1440. Therefore, the fact of overflowing the banks will not relieve the river at all?—Not the least.

1441. Sir *James McGarel-Hogg*.] You stated that your estimate is 55,000 *l.* for all the works necessary to keep the floods from overflowing the banks; have those estimates been carefully made, and do you adhere to them?—Yes.

1442. Do you consider that private individuals or district boards would do these works cheaper than the local authority or the Metropolitan Board of Works?—I am sure they would.

1443. Having been examined now in this Committee, and in the last, may I ask you, knowing the cost of these works, whether you

think that the money that has been spent in the opposition might not have been much better spent in carrying out the works necessary?—I think that if the money had been spent in carrying out the works, we should have had no flooding left now.

1444. You think that the money spent upon the opposition, if laid out upon the banks of the river, would have stopped all the flooding?—I do.

1445. Do you consider that the Bill now before the Committee gives every facility for objection by all parties interested as regards the necessary works?—Yes.

1446. If an arbitrator was appointed by the Board of Trade, would not this arrangement throw the responsibility entirely upon the arbitrator, instead of upon the Metropolitan Board of Works?—It would. He would supersede them, and it would have this effect: supposing a standing arbitrator was appointed, it would be very soon known what the particular views of that individual are; and those who wish to have something different done to what the Metropolitan Board of Works have suggested, would at once, if they saw that it agreed with his views, go to him and get it done.

1447. May I ask if you are quite certain, in your answer to the honourable Member for Chelsea, and the honourable Member for Mid-Surrey, that no contribution has been given to the Fulham District Board?—No; I speak with some reserve.

1448. Are you certain of it?—No; all I said was that I did not remember it.

1449. You are not certain of the accuracy of your answer with regard to contributions to Fulham or Wandsworth?—I only gave answer as to my recollection of the matter.

1450. The *Chairman*.] My honourable friend on the right asked you rather an interesting question as to the comparison of the cost of the opposition with the cost of doing the works; but my honourable friend asked whether it could not be better expended; that is a question of quality, but I want to be quite sure about the answer in quantity. Am I right in supposing that you think that the cost of the opposition if expended upon the works, would be all that you require?—I do. I put it in this way: my estimate being 55,000 *l.*, and my belief being that the owners could do it for half that money, I am sure that the two inquiries before this House, represented by my learned friends there, will not come very much short of that money.

1451. As to the question of the public roads in Fulham, and I take them as an example of public roads generally, do you consider that the flood would in any way damage those roads?—Not the roads themselves; but it would flow over those roads into the houses upon those roads, and flow along the roads, and get into property and do mischief.

1452. I do not know whether this is a question which you think is within your province to answer. I want to know the general position in which the Fulham district stands to the Metropolitan Board of Works as regards roads. Does the district board maintain the roads?—They do. They maintain all the roads.

1453. Do you know of any parallel case independent of the river in which there would be any claim made upon the district board with regard to a public road similar to that which you propose to make to prevent the flooding from the river?

—Yes.

—Yes. I fail to draw any distinction between the maintenance of the wall which supports that road and the keeping up of the wall to a proper height to protect the road; it is one work, and one and the same liability.

1454. In the one case it is to protect the road, is it not; and in the other case to protect the neighbourhood of the road from injury?—Yes, and the houses upon that road.

1455. Do you know any case in which the Board, as having the responsibility of the road upon them, are called upon to do any work with regard to that road to prevent any injury to any other part of the district?—I apprehend it is the duty of the Board so to construct and maintain the road, that it shall not be a nuisance to the houses upon that road; they must sweep the mud off the road.

1456. And you consider that the flood breaking over the road makes the road a nuisance?—It makes it an inefficient road, and a nuisance.

1457. You stated in several of your answers that you considered that owners generally, that is to say, wharf owners, gaining their living by the river, have a special claim thrown upon them to prevent, as much as they could, the river from doing harm?—Yes, that is so.

1458. Would that apply as much to the Board as the owners of this road; does the river advantage the road?—In some cases it does, that is to say, that there are public draw-docks, and to some of those docks communications from the river; where there are draw-docks or any communication of that kind for the public, it does.

1459. Is the road there in order to give communication to the river?—I think at the Mall there are steps from the Mall down to the river, and, so far, the road itself is a means of communication with the river, and is benefited by it.

1460. I will now go to another point. One of the learned counsel, I think the counsel for Limehouse, complained against that provision in your Bill which fastens compensation upon the metropolitan ratepayers, on the ground that those owners who had acted without compulsion would not be compensated, whereas those who put difficulties in the way would be; I want to

ask whether you can give us any practical information as to whether the works that have been done by owners are such as would be likely to have given any reasonable claim for compensation?—It is rather difficult to answer that question; it is rather difficult to know, when evidence is produced showing a claim for compensation before an arbitrator, what view the arbitrator may take of that evidence; but my own opinion is, that by the arrangements which we propose to make, and which have been made in other cases, the works may be done without any serious injury to the property.

1461. Have you heard of any case in which the owner has stated, Well, I have done what you told me, but I have done so with considerable inconvenience to my business?—No, on the contrary, Mr. Cory said, I objected to do it at first, I came here and opposed you in Committee; now I have done so, I find it the greatest advantage to me; whereas it seems we could not get to our warehouses, now we are protected thoroughly from floods.

1462. Have you any case whatever of any owner who has done these works and has made a complaint that they have interfered with his business afterwards?—None.

1463. Sir *Trevor Lawrence*.] Have you made any calculation as to what would be the necessary rate in any of the different districts if the districts were to do the work; for instance, take the district I referred to before, the district of Wandsworth; if the expenditure of the district is 10,000 *l.*, which I understand roughly it may be, do you know what the rateable value is?—I have not gone into that calculation, though it is a calculation easily made.

1464. If it is raised by a rate it would come to about 7 *d.* in the *£.*, but you know nothing of it?—No, I have not gone into calculation.

1465. Sir *Charles Dilke*.] Could you put in a return showing the amount of moneys paid or agreed to be contributed by the Board towards the cost of local improvements in the metropolis, from the 1st of January 1856 to the present date?—I will endeavour to do so.

[The Witness withdrew.]

Mr. JOHN CORY HAVERS, sworn; Examined by Mr. *Cripps*.

1466. You are a member of the firm of William Cory & Sons, of Commercial-road, Lambeth, coal merchants?—I am.

1467. I believe in the year 1818 you took a lease from the Duchy of Cornwall of the wharf which we know as Cory's Wharf?—Yes; it is midway between Waterloo and Blackfriars Bridge.

1468. In the Session of 1877, in consequence of the Bill which was then promoted by the Metropolitan Board of Works, I believe you presented a petition against the Bill, and appeared here upon that petition?—We did.

1469. And were represented by counsel at that time?—We were.

1470. Was the main ground of the petition, which I have here, and which is very long, that you thought the Board were seeking very strong powers, and that the raising of your wharf would create a very serious inconvenience to your traffic?—We thought that it would make a permanent increase of wages.

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1471. You did present a very long petition stating many defects in the Bill; you were of opinion then, and expressed the opinion, that any raising of your wharf would not leave sufficient headway for getting into your offices?—Yes.

1472. And I think you also were lessees not only of that wharf but of other wharves in the immediate neighbourhood, were not you?—Yes.

1473. After our Bill in 1877 was rejected, was this matter a good deal discussed amongst the different members of your firm?—It was.

1474. And in consequence of the fear of damage to your own wharf, did you then, notwithstanding your opposition, do the work to your wharf at your own expense?—It was in consequence of the representations of the Metropolitan Board of Works.

1475. The Metropolitan Board of Works pointed out to you what they really required?—Yes.

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1476. And

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Mr. *Havers*.

Mr. Havars. 1476. And you did the work yourselves?—
2 May 1879. Yes.

1477. Did you find that the expense of doing those works which the Metropolitan Board of Works pointed out was, comparatively speaking, inconsiderable, compared with what you were led to suppose would be the cost?—Yes.

1478. Was the expense of all those works somewhat less than the damage you had experienced in some one of the floodings?—Not more than that, certainly.

1479. Now the works have been done?—Yes.

1480. And your wharf is now safely protected from floods?—Yes.

1481. Has it resulted in any inconvenience whatever in the working of your wharf since that time?—No, none.

1482. Have you any objection to say what the cost was?—Between 61 l. and 62 l.

1483. Sir *Baldwyn Leighton*.] What is the length of frontage?—About 80 feet of frontage.

1484. Mr. *Cripps*.] It is a very large wharf, is it not?—Yes, but of course the cost at our wharf is no guide for other wharves.

1485. Sir *Trevor Lawrence*.] Was it less than the Board's estimate?—I have no idea what the Board's estimate was.

1486. Mr. *Cripps*.] You say that the inconvenience has been, comparatively speaking, very slight or *nil*, and the wages you pay for doing the same work have not been increased?—Not at all.

1487. In consequence of that you are no petitioner against the present Bill, though you were against the other?—I am not.

1488. I daresay if you had known what would have been the cost of what you were asked to do, it would have been done long ago, and some of the floods would have been stopped?—We did not think it was possible to do it so easily as we have found it.

1489. The effect of the experiment has been very satisfactory to you?—Very.

1490. That is the wharf, is it not (*handing a picture to the Witness*)?—That is the wharf.

1491. The *Chairman*.] What is the height of the wall?—I should think under two feet.

1492. Sir *Baldwyn Leighton*.] You put the coping on the top which was on the ground before?—Yes.

1493. Sir *Trevor Lawrence*.] That wall is 80 feet long?—No, I do not think it is as long as that.

1494. The *Chairman*.] Is your business mainly coal wharf?—Entirely coal wharf.

1495. And you find no difficulty in getting the coal up to the wharf?—Not the least.

1496. If you had power of claiming compensation you would not have attempted to claim it?—We have nothing to claim for.

Cross-examined by Mr. *Bidder*.

1497. I understand that you, more or less, suffered from floods?—Yes.

1498. And it has been an inconvenience to you?—Yes.

1499. And it was worth your while to spend 60 l. for your own sakes?—Yes.

1500. Is the red brick what you have done?—Something beyond that.

1501. You have suffered from the infliction of the floods, but it had not occurred to you that by

that small expenditure you could protect yourselves?—No; we were under the impression that stopping the water coming in would be as expensive that it would be worse than being flooded.

1502. Is it within your knowledge that there are other persons not dealing in coal who would be greatly inconvenienced by it?—Undoubtedly, ours is an exceptional case. I know nothing about other people's. I should rather say that every case is an exceptional case. A man may be judged by his business and the style of his wharf.

1503. In consequence of that you have been converted, as far as I understand, and having done for your own sakes that which you found profitable to do, you are satisfied?—We are satisfied, personally.

1504. Are you prepared now to do any further works which the Metropolitan Board of Works choose to order?—It is impossible to say that until I know what the works are.

1505. But knowing what the works are or may be, are you prepared to undertake to do anything that they may hereafter think proper to order you to do?—Certainly not, if I can help it.

1506. Are you aware that if this Bill passes you will be bound to do anything in future which they order you to do?—I looked at the Bill, and it seemed to me to have a very wide scope.

1507. Do you approve of it in that sense?—That is a matter which I have not considered.

1508. Do you approve of being put under the liability to do any further works hereafter than the Metropolitan Board of Works choose to order?—Certainly not.

1509. Then you object to the Bill in that respect?—I have not studied the matter.

1510. If the Bill has that effect you object to it?—We shelved the Bill as soon as it arrived, for fear we should be tempted to spend more money in opposing it, and we did not read it. As we had already performed our part we were not willing to spend any money further. We have done our work, and we have nothing further to do.

1511. You come here under the impression that you have done your work, and that you are scot-free?—We hope so.

1512. Now if it turns out that the Bill will impose upon you the liability at any future time to do any further works that the Metropolitan Board of Works choose to order, do you approve of it?—Of course we should not.

1513. As you live by the waterside I will ask you this question: in point of fact have not the floods been more frequent and more severe since the embankment was made than they ever were before?—I think we commenced at Cory's Wharf about the same time as the embankment, therefore I cannot answer of my own knowledge.

1514. You know that floods since the embankments have been made are higher than floods ever were before?—I do not know that.

Cross-examined by Mr. *Balfour Browne*.

1515. Your frontage is only 80 feet, I think? That is a mere guess on my part.

1516. It may be less?—It may be less.

1517. It is not a dock?—No.

1518. Only the river?—Only the river frontage.

1519. You

1519. You opposed the Bill of 1877 because you thought that if that Bill passed into law, you might be put to permanent expense in the way of wages?—Yes.

1520. But if this Bill would put you to the same permanent expense you would oppose this too, would you not?—We have since found our idea fallacious.

1521. That is, if you find the works you have made are permanent; but if they had the right to order works which would put you, besides the works you have already done, to permanent expense for wages, would your answer be different to what you have already given?—I think it would.

Re-examined by Mr. Cripps.

1522. You say these works were done by the advice and under the direction of the Metropolitan Board of Works?—Yes.

1523. Do you know the height to which they consider it necessary that all premises should be raised; five feet above Trinity high water mark? Yes.

1524. Are your works raised up to that height?—I believe so.

1525. And they therefore satisfy all the requirements of the Board?—I think so.

1526. Sir *James McGarel-Hogg*.] May I ask you, from the experience you have had from the last Act, 1877, of what the Board have required, that, supposing the tide rose higher, and you were asked by the Board to put a course or two of bricks upon the top of your present wall, would you have any objection to do it?—I think not.

1527. Would you prefer putting a course or two of bricks upon it, or being flooded?—If, as I imagine, putting a course or two of bricks could not increase our permanent wages, we would prefer that to being flooded.

1528. And you see no difficulty in doing it?—None whatever.

1529. Mr. *Alexander Brown*.] This Bill is to

prevent the flowing of the Thames over its banks?—Yes. *Mr. Havers.*

1530. Therefore, when you have that something on your premises which satisfies those conditions, you have satisfied this Bill; is that so?—I imagine so. *2 May 1879.*

1531. Sir *Trevor Lawrence*.] I do not wish you to answer the question if you have any objection to do so; we have heard from the engineer that, if the money expended in opposing the Bill had been spent upon the works necessary to prevent the floods, it would have been sufficient; have you any objection to tell us what it cost you to oppose the Bill?—Not the least; I think it was about 400*l*.

1532. The *Chairman*.] As a matter of business, you would not again spend the 400*l*. which you had to spend in 1877?—Certainly not.

1533. Mr. *Maurice Brooks*.] Do you take any precautions for having the slide closed at night, or on Sundays?—We keep it always closed, except when we want it open; instead of taking care that it shall be closed when there is danger, we make a rule that it shall be closed, except when we use the wharf.

1534. It is a continuous block?—It is a continuous block, except when we want to use it for the purposes of our business.

1535. The *Chairman*.] You said you could not answer for other wharfingers, but are there any exceptionally particular circumstances which made it easier for you to do it than for others?—I understand that the level of the river wall at every wharf varies, therefore a great many may have more to do than I had.

1536. Are you in an exceptionally good position?—No; I should think it is an ordinary case.

1537. I do not ask you to answer for other people, but you see no reason to suppose that yours are different from most of the wharves?—No.

[The Witness withdrew.]

Mr. WILLIAM HENRY FARNFIELD, sworn; Examined by Mr. *Philbrick*.

1538. You are Clerk to the Poplar District Board, are you not?—I am.

1539. That is on the north side of the Thames, which includes the Isle of Dogs and the Mill-wall Docks, is it not?—The Isle of Dogs is a portion of the Poplar district, but our district extends to Victoria Park.

1540. There is a considerable river wall and frontage there, is there not?—Over three miles.

1541. Have all the works that have been required as defences against the flooding of the district from the Thames practically all been done in this district?—They have been practically all done; there are only three small instances in which they have not been done.

1542. What works are those?—There is a little piece at Blackwall; the property is in Chancery, and at the present moment that is the difficulty; and there is a small unprotected piece at the London and North Western Railway works; they are now in progress; there is a small piece which they have not actually arranged to take into their wharfage, that is 0.89.

unprotected; and the third little piece is just by the Folly House in Stewart's-road.

1543. A great number of comparatively poor people reside in the district?—A very great many.

1544. And the floods of 1876 and 1877 caused a great deal of suffering, and a great deal of damage?—In 1876 it did; in 1877, we were practically protected.

1545. Was that owing to the action of the district board?—It was owing to the action of the district board, and the notices I gave to every lessee and person owning river frontage to raise their frontages. Practically the district was secured, except at the Orchard House.

1546. Did the owners and lessees comply with those notices at their own cost?—Yes, at their own cost.

1547. Have you, as clerk to the district, ascertained whether there has been any real complaints made that complying with this notice has injured people's business, or put them to expense in carrying on their business, or damaged their premises?—I have heard no complaints,

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plaints, and we have had a ready compliance with our notice.

1548. Is it not a matter of fact, that of late years private premises have been brought down to the Thames for the sake of the river?—Yes, beyond our ordinary protection wall.

1549. What has become of the footway round the island there?—It has become absorbed altogether nearly in the wharves.

1550. And from time to time it has been stopped by order of the justices?—By order of the justices in the first instance, but within the last three or four years it has been stopped with the consent of my board.

1551. Upon the terms that you have other accommodation provided in the rear?—In the rear public roads have been made, and we have always kept doors, and duplicate keys, in order that we might go in and save our rights.

1552. Have the waterside owners, who have thus got the benefit of a direct frontage on the river, undertaken to keep up the wall?—In every case they have undertaken with us to keep up our front; the old wall is absorbed, and they have undertaken to keep up their frontage five feet above Trinity, so as to protect the in-lying districts from floods.

1553. It is a transfer of the old wall into new premises, which they are allowed to bring up to the margin of the river?—With another foot added.

1554. Formerly these appropriations used to go to the coroner?—Forty years ago I find that the coroner held an inquisition to stop up the walls, now known as Morton's walls, near the second bridge of the East and West India Dock Company; the jury viewed the site then, and made inquiry, and it was stopped under that inquisition; that was the first instance of the Marsh wall being stopped.

1555. Since then practically almost all of it has been absorbed?—Since then Sir William Cubitt has absorbed some by license from the Conservators, and the justices have absorbed some.

Cross-examined by Mr. Bidder.

1556. Under what power were these notices served?—No powers at all, except that the Board of Works called upon the owners to do the works, and they did it.

1557. Under any statutory power?—I doubt whether there is any statutory power to give notice.

1558. You took the chance that they would not find it out?—I do not admit that.

1559. How many notices were served?—There are 90 manufactories in the Isle of Dogs.

1560. How many received notices?—I should think 130, though I cannot pledge myself.

1561. Have you a copy of one of the notices?—No, I have not.

Cross-examined by Mr. Prior Goldney.

1562. I believe that most of this property of yours is held by large wharf owners and owners of docks?—Round the Isle of Dogs there are 96 wharves.

1563. As a matter of fact your board had little to do after serving the notices themselves?—Our board had little to do but serve the notices, and the lessees complied with them.

1564. Have there been any roads improved lately in your district or any improvements?—There have been several within the last three years.

1565. For which you have had contributions from the Metropolitan Board of Works?—We have had contributions from the Metropolitan Board of Works three times within the last two years.

1566. What is the extent of those?—There was a comparatively large one to the Canal Iron Works on the Isle of Dogs; we had nearly 1,000*l.* from the Metropolitan Board of Works.

1567. May I take it that you have had 2,000*l.* or 3,000*l.* altogether?—Probably so; I cannot limit myself to the figures.

Cross-examined by Mr. Balfour Brown.

1568. In your examination in chief, you said that the original boundary before the work was done was more inland than the boundary as it now exists?—The original boundary was what we call the Marsh wall, which was a wall right round the island, not exactly bounding the river, but zigzag right round the island four feet above Trinity.

1569. And you have advanced your works beyond that?—No; the lessees by stopping up the Marsh wall by the order of the justices, or under the coroner's inquest, or by the consent of the Board of Works for the Poplar district, have carried their wharves nearer to the river.

1570. How much land has been gained in that way, can you tell me?—I can tell you one particular instance where the Marsh wall is stopped up, and the Conservators have given the license; there is nearly one acre of land in that particular instance.

1571. That gives the person an interest in doing the works, which are commanded to be done, does not it?—I presume adding an acre of land is an advantage.

Cross-examined by Mr. Pembroke Stephens.

1572. You have not got a copy of the notice here?—No.

1573. What did you call upon the owners to do?—To make up their frontage five feet above Trinity.

1574. How? "Make up" is a general term?—It was a letter signed by myself as solicitor and clerk to the board, stating that in consequence of recent inundations damage had been caused to in-lying houses, and therefore acting for the Board of Works, I called upon them to raise their frontage five feet above ordinary Trinity high water.

1575. Raised how, by earthwork, or wall, or by planking, or how?—We did not give them any idea as to what they had to do, but in many instances they have raised it by earthwork.

1576. Did you yourself form any notion of the expense of these works?—Not at all.

1577. You sent out the notices broadcast; you did not inquire into the expense; you cannot point to any statutory power whatever enabling you to do it?—No, I do not think I can.

Re-examined by Mr. Philbrick.

1578. Upon the question of reclaiming the acre of land, that was an exceptional case?—
That

That is very exceptional, for this reason, that the Marsh wall in that particular instance was 400 feet away from the present frontage of the river, and they gained, by license from the Conservators, liberty to take the outer line of walls, and they reclaimed it.

1579. And there had been an inlet?—It is an inlet; it is not marked on the plan, but it is an inlet called the Marsh-pond inlet, and they had liberty from the Conservators to stop up the front of the inlet.

1580. They carried the wall along what is practically now a straight line?—The line of frontage, if I may use the expression.

1581. The *Chairman*.] Was there any other case similar to that?—Not where an acre of ground was gained; there are many cases where 50 or 60 feet was gained.

1582. Sir *Charles Dilke*.] Did your board spend anything in these proceedings in the raising of the wall?—My board spent some few years ago some money before the wall was absorbed; the board had to keep up the river-wall, but as the wall was absorbed, the expense lessened and lessened, and now we have only three little places that we keep up.

1583. In the course of these proceedings, in raising the wall during the last few years, you have spent nothing?—We have spent comparatively nothing; the lessees have spent the money.

1584. Mr. *Chamberlain*.] Supposing out of your frontage of three miles, a mile were public road, would it be just that your board should be called upon to do all the work necessary to protect the public road?—It is the duty of every board to protect the public road.

1585. But if you were of opinion that the road itself would not be injured by the flood, but only the property behind the road, would you then think it just and fair that your board should find all the money necessary to protect the road, or rather the property behind it?—Judging from a similar instance we have had, I should say yes.

1586. What was it?—It is not so well, but we have had to make up the road fronting the River Lea, where the bank slipped, in consequence of the river, and we have had to spend a certain sum of money in keeping up the bank, in reforming the bank.

1587. The *Chairman*.] What was the distance?—It is feet; not a mile.

1588. Who made you do it?—We did it because we found the public road slipping.

1589. Mr. *Chamberlain*.] What was the cost of that, 10*l.*?—No; some 290*l.*, or 330*l.*, or something similar to that.

1590. What are the improvements for which you have received contributions from the Metropolitan Board of Works, within the last five years?—Tredegar-road, Bow, which is miles from the river; we continued the line of frontage by pulling down to projecting houses in Canal-row in the Isle of Dogs, which is part and parcel of a direct system; the Canal Company made a new bridge; we pulled down the projecting houses and made a straight thoroughfare through.

1591. Those are rather in the nature of local roads, are they not?—Yes.

1592. Not main roads in the metropolis?—Tredegar-road is a main road in the metropolis; it runs from Old Ford-road into the Bow road.

0.89.

1593. You consider that it was just that you should receive those contributions in aid of these roads from the Metropolitan Board of Works?—Yes.

1594. What is the distinction between receiving contributions for these roads and receiving contributions for preserving a public road along the river?—I do not think there is any contribution given by the Metropolitan Board of Works for repairing our public roads.

1595. What is the distinction between the one case and the other?—The duty is thrown upon the district board to keep up their roads through their district.

1596. The duty is thrown upon the district board to improve their communications?—Not necessarily. The district board improve, as far as they possibly can, their intercommunications; but it is part and parcel of the metropolitan system to ask the Metropolitan Board of Works to contribute to the improvements, it being a metropolitan necessity as well as a district necessity.

1597. I know the practice and policy, but I ask you, as a matter of justice, whether there is any distinction between a contribution for these roads and a contribution for the river wall?—Keeping up the road is a public duty thrown upon the district; you put the case of a road liable to be flooded by the river; the keeping up and maintaining that road for the benefit of the public is a duty thrown upon the district.

1598. Why is not the improvement of Tredegar-road an improvement of the district?—If we were to improve every place we see we could not find rates enough to pay for the improvement; we must take them in turn.

1599. Then you put it merely upon the plea of your poverty?—Not upon the plea of poverty alone, but our first duty is to keep up our roads; our second duty is, as time and opportunity occur, to improve our different thoroughfares.

1600. Mr. *Birley*.] You spoke of three small places within the limits of the Poplar district not yet protected?—Yes.

1601. At the time of the flood of 1877, did the district suffer from the frontages not being protected?—Very little. Cold Harbour is made up of the Cattle Wharf and Brown's Wharf, and one or two other large wharves, and there is one little court, and this unprotected part flooded that court.

1602. But no serious damage was done to the district?—No, there are only eight or ten houses.

1603. As regards the other two places, what do you say?—One came into the road and damaged nothing. It is bounded upon the one side by Stewart's Ironworks, and the other side by the Yarrow and Company's Torpedo Works; there are no houses there; the third one is near the London and North Western and Midland improvements at Blackwall; there are there seven houses, and they suffered inconvenience; they were flooded.

1604. Mr. *Wilbraham Egerton*.] You having repaired your own banks object to pay a metropolitan rate for those who have not repaired theirs?—My board, both in 1877 and 1878, passed a resolution that they would not oppose this Bill; they take no interest in the Bill whatever, leaving it to the Metropolitan Board of Works to promote their Bill and carry it out.

1605. Sir *Baldwyn Leighton*.] With regard to what you said as to the wharfingers coming beyond

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yond the wall, you said there was an understanding that they should keep up the wall when they trespassed, or went beyond it, what was that understanding; was it a written understanding?—I said that when they applied to the Board of Works for permission to close up small portions of the Marsh wall, which were left, in consequence of the magistrate's orders, closing up the larger pieces, they applied to the Board of Works for liberty to close those pieces, and they had liberty to do so; and they gave a written undertaking that they should allow free access to the officers of the Board of Works to see that the wall was kept up; and we forced them to keep it up to five feet instead of four feet.

1606. You speak of the Poplar Board only?—Yes, the Marsh wall was really a thoroughfare right round the island on the top of the bank; it was Kentish rag stone on the river side, and grass slopes on the land side; and in olden times, 30 years ago, the land itself was grazing ground; as the wharves came into the Isle of Dogs, they pushed forward beyond these Marsh walls, river wise, and in consequence of that the whole of the Marsh wall, with the exception of two little places, is entirely absorbed into wharves.

1607. They have built out projections?—They have built out projections on the river side of the Marsh wall.

1608. And when they were allowed to do it, they entered into a written undertaking that they were to maintain a defence against the river?—Five feet above Trinity high water.

1609. That was laid many years ago; 20 or 30 years ago?—No, our board has not been in existence as long as that.

1610. Five or ten years ago?—No, the first application to our board was in February 1859.

1611. Twenty years ago?—Yes, and upon that precedent we have worked ever since, and we have doors in each of these instances, and duplicate keys to go into the factories, and see that they do these works, and keep the walls up.

1612. Under that, you have no difficulty in getting them to do these works?—No, in very many instances they have done what was required.

1613. Do you know anything about your opposite neighbours at Greenwich?—No, I do not.

1614. What did they gain on the average; did they go between high and low water?—They gained on the average not more than 50 feet.

1615. The board formerly maintained the wall, or bank?—Not the board, the Poplar and Blackwall Commissioners of Sewers.

1616. They maintained the wall—Yes.

1617. By a general rate?—I do not know how those Commissioners did it.

1618. You do not know whether it is called a wall scot down the river, or by a general rate?—No.

1619. Could you find it out if required?—I could if I were down in Poplar.

1620. Speaking of the road at the Lea River, which you once repaired; that was only repairing the road?—That is a road that is very much higher than the river wall.

1621. That was to repair the road?—The road began to slip towards the river.

1622. It was not a bank to protect the land?—We had to make a new bank with piling. The road was on the top of the bank. The road slipped, and our road was going.

1623. It affected some land beyond?—If our

road had gone, I do not know how the houses on the opposite side would have done.

1624. It was done out of a general rate?—It was done out of the general rates of the particular district in which the road was, not over the whole district. That is only a mere matter of bookkeeping.

1625. An honourable Member asked you whether you could draw any distinction between such a work as that and such a work as was contributed to by the Metropolitan Board of Works in altering a street?—In extending a thoroughfare.

1626. I suppose, from what you said, there is a distinction between repairs and improvements?—I said that the duty was thrown upon us as a district board, to keep all our roads in repair, and to maintain them in every way.

1627. But when you go to pull down houses and widen a street, or extend a street, that is an improvement and not a repair?—Yes.

1628. And you draw a distinction between repairs and improvements?—Yes.

1629. Mr. *Maurice Brooks.*] Have you an improvement fund and a borough fund?—The district board is composed of three parishes altogether. Everything belonging to Poplar is put down to Poplar, and everything belonging to Bow is put down to Bow, and then there is a general charge rate paid to each parish proportionate to their rateable value.

1630. Have you your accounts in hotch potch, or have you one for scavenging and another for lighting?—In Bow and Bromley we have a general rate, a sewer rate, and a lighting rate. The general rate is for general charges. There is the sewer rate, the scavenging, the watering, and the lighting in Poplar. There are two rates only.

1631. Sir *Trevor Lawrence.*] Do you consider that the prevention of these floods is not a metropolitan improvement; is that the opinion of your board?—The opinion of my board is that each district should do their own work, and therefore they called upon the owners and lessees to do the work.

1632. I see that you have received for the purchase and formation of a recreation ground, 6,000 l.?—Yes.

1633. So that you consider the Poplar recreation ground is a metropolitan improvement, but keeping the water of the Thames within the bank is not one; how do you reconcile that?—I must not talk about the Poplar recreation ground.

1634. Mr. *Alexander Brown.*] This old river wall which has been built over by the premises, does it belong to you, or is it given up to the owners?—The marsh wall belongs to us, because it really and truly is a sewer. It is called a sewer under a decision of the Queen's Bench, but in consequence of the orders of the justices and different things, it really and truly is absorbed in the different wharves around the island.

1635. I will put this case: if you could not repair or find any owner to repair under your agreement, would you be bound to maintain that wall?—If we could not find the owner.

1666. Supposing the wall was broken down, is there any liability upon you to maintain the wall?—I should, under any circumstances, advise my board to repair the wall.

1637. Sir *James McGarel-Hogg.*] And charge the expense, no doubt, to the defaulting owner?—I should

—I should charge the expense to the defaulting owner, if I could find him.

1638. Then I gather from your evidence that the Poplar District Board does not require any pressure to do their duty?—No.

1639. And they consider it part of their duty to repair all the thoroughfares in their district?—Yes.

1640. And they consider that the river wall is part of those thoroughfares?—Yes.

1641. They also support that by putting in walls wherever it is necessary?—Yes.

1642. I want to know whether any of these owners could have brought their frontages forward without the leave of the district board?—They could have brought their frontages forward, but they must have left the marsh wall in the middle of their premises.

1643. Did you give them leave to come forward?—We gave them leave to absorb the marsh wall; coming forward would be a matter for the Conservators of the river.

1644. Have you kept the right of entry to see that they do their duty?—Yes.

1645. And your district board can go in and see the work done whenever you like?—We have at either side of every wharf a door with "Poplar District Board of Works" written upon it, and duplicate keys in the office labelled.

1646. Who discharges that duty?—The surveyor and the surveyor's clerk of the works discharge the duty.

1647. When you give a man notice to raise the walls, do you give plans or tell him how to do it?—No, we do not give plans; we say that he is to raise the wall five feet above Trinity.

1648. You do not trouble yourselves so long as he keeps the water out?—If our surveyor reported that they had done the work there was an end of it.

1649. The *Chairman*.] As to the illustration which you gave with reference to the River Lea,

you stated that you had made the road safe against the flood of the River Lea?—Not against the flood of the River Lea; it is much above the River Lea; the road itself is supported by the bank; the bank gave way by sinking into the Lea, and we had to put the bank back.

1650. You said your road was slipping away?—Yes.

1651. Then you had to make that repair in order to keep that road in repair?—Yes.

1652. That would not be a similar case to putting up a bank against a road which would not be injured by the flood?—I only quoted it to show that there was a duty upon any district board to keep their public roads in proper condition for the use of the public.

1653. Sir *Baldwyn Leighton*.] You said that the marsh wall was a sewer; you did not mean that there was a drain under it?—No, it is a legal term.

1654. Mr. *Cripps* (through the *Committee*).] You say that these wharves got a consideration for having to keep up their bank; do you mean by that that all the persons upon whom you served notice, the work was done, or only by a certain number of them; it is left a little doubtful how that is?—In many instances when we gave notice to keep the river bank up, it was where the marsh wall had been absorbed years and years ago, and therefore they gained nothing, except keeping the floods out.

1655. About how many cases were there where the river wall had been absorbed by the parties, who therefore might have repaired their wall under that obligation?—You mean of those upon whom notices were served?

1656. Yes?—Quite half.

1657. Half of those upon whom notices were served were not under the obligation?—No.

[The Witness withdrew.

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Adjourned to Monday next, at Twelve o'clock.

Monday, 5th May 1879.

MEMBERS PRESENT :

Mr. Maurice Brooks.
Mr. Alexander Brown.
Mr. Chamberlain.
Sir Charles Dilke.
Mr. Wilbraham Egerton.

Mr. W. E. Forster.
Mr. Goldney.
Sir Trevor Lawrence.
Sir Baldwin Leighton.
Sir James McGarel-Hogg.

THE RIGHT HONOURABLE W. E. FORSTER, IN THE CHAIR.

Mr. HENRY LAW, sworn; Examined by Mr. *Bazalgette*.

Mr. Law. 1658. You are a Civil Engineer, and a Member of the Institution of Civil Engineers, I believe?—I am.
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1659. And I believe you are well acquainted with the tides of the River Thames back to the year 1837?—I am.

1660. In that year, I think, you became a pupil of the late Sir Isambard Brunel, and were employed upon the construction of the Thames Tunnel?—Yes; I was engaged upon its completion, at the Thames Tunnel.

1661. May I take it that the whole of your professional life from 1837 to 1853, was spent upon works in connection with the River Thames? It was almost exclusively spent upon works connected with the River Thames.

1662. The evidence which you gave in 1877 as to the cause of high tides and consequent floods in the Thames, is before the Committee; do you wish to modify that evidence in any way?—No, I have nothing to say whatever, either in modification, or I may say, in addition to that. I hold the same opinion as I did then.

1663. The theory advanced before the Committee of 1877, shortly stated, was that the tide advances with a certain momentum into the Thames.

Mr. Bidder.] My learned friend should leave the witness to state his own evidence. The evidence of 1877 is in print.

The Chairman.] I do not know how the learned Counsel can examine the witness or help us unless he puts his question in some such form as this.

1664. Mr. *Bazalgette*.] The theory which you advanced in 1877 was, that the tide advances with a certain momentum into the Thames, which momentum carries the tide up and expends itself upon certain obstacles it encounters in its progress, and in proportion as the obstacles are removed or reduced, so the momentum remains longer unexpended and the tide advances further up?—That is so. That is not theory but the result of lengthened experience. There is a certain amount of energy unexpended at the mouth of the Thames, and it has to be exhausted by the sum of all the resistance it meets with as the water flows up the Thames. If you make the passage of the water easier by taking away shoals

and removing bridges, and other obstructions, less of that force is absorbed, and it can only expend itself by driving up the water to a great height, which it does in the Bay of Fundy, where the height of the tide outside being 4 or 5 feet, the height at the head of a gradual and regularly contracted bay is 120, and in the Bristol Channel, where at its mouth it is 13 feet, at King Road it is 40 feet, and sometimes at Chepstow it is between 60 and 70 feet.

1665. I will ask you to summarise in one answer the question of the removal of obstacles, which has tended to let the water advance further up the river and promote flood?—The most notable of those is the removal of the shoals. Previous to 1857 the only dredging which took place in the Thames was that which was performed by the Trinity Board for the purpose of selling the material raised as ballast.

1666. The Chairman.] Will you explain what you mean by shoals?—By shoals, I mean those parts of the bed of the river which are higher than the general level, and therefore impede navigation. I have here two exact reprints from the Admiralty Chart, one taken in 1857 and the other in 1871 (*producing some plans*). The portion coloured brown upon this chart are those portions of the river having less depth than 10 feet upon them at low water; the portions coloured blue are those portions of the river that have a greater depth than 20 feet upon them at low water; the parts left white are those that have an intermediate depth, therefore the brown may be taken as expressing the shoal water, and the blue as expressing the deep water.

1667. This is a chart from Victoria Docks down to Purfleet?—Yes, the comparison of the two charts will show the great changes that had then been made. At Dagenham, there was a shoal that extended half way across the river, and barred the passage of vessels up; there was another great shoal at Barking; there was another enormous shoal at Greenwich; there was another enormous shoal at Woolwich; and the nature of the shoals was such that when they were taken away by the Conservancy Board gunpowder had to be used for doing it; that was the reason why they never were removed before, because when the Trinity Board were the only authority that dredged, they confined their operations to dredg-
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ing ballast for the purpose of ballasting ships; but in 1857 an Act was passed constituting the present Board of Conservators and giving them power and funds to enable them to dredge the river, simply for its improvement; and they have carried out those powers to a very great extent since that date. You will find it indicated by this column in this Report of 1877, in Drawing No. 7. They commenced it in 1858, and the height of these is proportionate to the amount expended by the Conservancy Board in dredging operations. And for the information of the Committee I have added the additional years which had not been obtained in 1877. I have shown the high tides occurring since, and the amount expended since.

1668. Sir *Baldwyn Leighton*.] What is that column coloured pink?—The column "Proportionate to the amount expended by the Conservators in dredging the river."

1669. The *Chairman*.] What effect has the taking away of those shoals had upon the height of the tide?—When the tide was delivered at the mouth of the river, if it met with the obstruction of a shoal, which it had to surmount, the water had all to be lifted over that shoal, which, of course, absorbed a very large amount of power. It is the same thing as having put upon a railway a rising gradient which a train had to surmount. If you take that away you have lessened the resistance, and the tide runs up with so much more force unexpended. The removal of shoals was one great cause, the removal of the bridges was another cause; and, in fact, the removal of every obstruction absorbed a part of the work which the sea, as it were, had generated at Sheerness, and then when it arrived at any point of height to which it would rise, that work would be proportionately spent upon the amount of force which had not been absorbed, and which remained to be expended simply in raising the water up.

1670. I observe that in this plan, No. 7, there was a high flood in 1841, another in 1845, another in 1849, another in 1852, and one in 1854. Then there appears to be no high tide till 1867, but it would appear from this plan that there were from 1873 to 1876 as many high tides before these shoals were removed as after?—Yes, there were. An extremely high tide is caused by accidental circumstances, having no reference whatever to the river. To arrive at the effect which has taken place in consequence of the changes in the river, you must take the average over a long term, and in this longitudinal section, Drawing No. 3, the relative heights of high water are given, and conclusions may be drawn from them, because these are the averages of observations extending over a whole year. The tide of 1845 is the highest tide within my knowledge in the Thames, though it did not rise within a foot of the height of the tide which did so much mischief in November 1875.

1671. You mean, when you say it was the highest tide, that it was the highest tide at the mouth of the Thames?—No, it was the highest tide above the normal height to which the tide should have risen by the Admiralty tables. Upon that occasion the tide rose 5 feet 8 inches above the height to which, if there had not been accidental circumstances, it would have risen.

1672. How is the tide in the Admiralty tables ascertained?—That is ascertained by a formula, prepared by Sir John Lubbock, after the most

careful and continuous observations, for over 40 years; and unless some accidental circumstances occur, they give the height of the tide with the most marvellous accuracy.

1673. As regards this particularly high tide, would there be parts of the Thames below London Bridge in which that tide would be higher than this tide of 1876?—No.

1674. That was more above the expectation than this one was?—Yes, if a very high tide occurs at neap tide, when the water is five or six feet lower than the extreme tide, it does not rise as high as the extreme tide would.

1675. Mr. *Cripps*.] Have you explained the big black lines?—I am now doing that. (*The Witness explained the plan to the Committee.*) You will observe that the very high tide of 1875 was in truth only 4 feet 3 inches above the predicted height, whereas the tide of 1845 was 5 feet 8 inches.

1676. The *Chairman*.] That only proves that the Admiralty tables were wrong in their calculations?—Not so; they were not wrong in their predictions, but accidental circumstances occurred.

1677. Mr. *Bazalgette*.] Old London Bridge was removed in 1834, was it not?—Old London Bridge was removed in 1834.

1678. But the mass of debris which resulted from the removal of the structure was retained in the river till a much more recent date, was it not?—Yes; Old London Bridge stood upon a series of islands, which almost blocked up the channel of the river, and though the old structure had been pulled down, those foundations were so hard that they were left to within a height of eight feet of low water until 1863; it was only in 1863 that the full effect of the removal of London Bridge was felt by the removal of its old foundations.

1679. In addition to the shoals which formed at London Bridge, were these large shoals existing in the river below Westminster Bridge?—There were very extensive shoals in the river off Whitehall Gardens and Montague House, which were not dredged by the Conservators at the request of the trustees of Old Westminster Bridge, because they felt that if that shoal were taken away the bridge itself would fall; and that shoal dried in the centre of the river at low water at extreme low tides. That shoal was not removed until about 1867.

1680. Can you tell the Committee whether any important dredging operations were carried on between London Bridge and Chelsea before 1864?—They were not. The principal dredging operations above bridge were carried on between 1874 and 1875, and I do not know that I need trouble the Committee with those extracts from the Report, but I have the Report of the Thames Conservators, presented annually to Parliament, by which it will be seen that their dredging operations commenced in 1858, and that no very extensive operations in the dredging of the Upper Thames were carried out till 1874, 1875, 1876, and 1877, and it is those which conducted in the greatest degree to allow the water to rise higher and cause these extensive floods.

1681. In 1874 and 1875 the Conservators were engaged in important dredging operations at Waterloo Bridge, Lambeth, Vauxhall, Richmond, and Teddington?—Yes, it is so stated in their Report.

1682. When it is stated that shoals, according to your view, played an important part as an operating cause of the overflow of the Thames, I

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Mr. Law. will ask this question first: has the construction of the Thames Embankment, in your opinion, in any way contributed to the recent overflow of the Thames?—I consider that the construction of the Embankment has diminished the height of the water in the river inappreciably; but it has tended to reduce it both above and below the Embankment; at all times of the tide it has had that effect throughout the whole range of the tide. If you ask me whether the construction of the Embankment has increased the height of the water in the sea, I say, Yes; that is because, of course, you have taken away a capacity of 900,000 tons of space, and you have not diminished the quantity of water. It has not produced that effect in the Thames only, but throughout the whole ocean that effect is produced.

1683. Would the effect of the construction of the Embankment be to interpose an additional resisting surface to the momentum of the tide?—It is so. You have a narrow portion of the river at Southwark, and you have a very narrow portion of the river at Vauxhall; and the Embankment has simply partially filled up the hole which there existed, and has now reduced the section to as small a space as it is at either of those points.

1684. Therefore, the Embankment, by affording a resistance to the momentum preventing the tide passing so high up as formerly, has tended rather to reduce the tendency to flood?—It has. Sir Joseph Bazalgette quoted the figures which I gave on the last occasion; those figures in the Report of 1877 show why the height of the tide would be less below, and less above, in consequence of the construction of the Embankment.

1685. The *Chairman*.] You have stated that the taking away of the shoals increases, in your opinion, the height of the tide by taking away obstacles to the tide coming up?—Yes.

1686. Now, you say that the putting of the Embankment there tends to lower the level; that giving the tide less space to come into, tends to lower it; that seems to me rather inconsistent?—When you take away shoals you increase the space into which the water has to come; and, following up your question, I may say that the increase in the capacity of the Thames between Blackfriars Bridge and Battersea Bridge, the space occupied by the three Embankments from 1823 to 1845, was 37 per cent., and that increased capacity was attended with an increase in the height of the tide of 7½ inches; the lessened capacity diminishes the height of the tide. Merely to make that complete, I will say this, that that increased capacity went on beyond 1845, and in the year 1856 had attained to 47 per cent. increase; the consequent increased rise of tide in the average of the whole year was 15 inches.

1687. Let me be sure that I understand you correctly; taking away the shoals, you say, has increased the tidal capacity of the river, and therefore tends to raise the tide?—That is so.

1687. * Putting up the Embankment diminishes the bed of the river, and diminishes the capacity, and therefore tends to lower the tide; that is your argument?—That is precisely so.

1688. Sir *Trevor Lawrence*.] If you could imagine a barrier put across the Thames altogether, would it prevent the tide coming up at all; what would happen?—Nothing would happen below that barrier, but above of course the river would accumulate.

1689. But the force of the water would not heap the water up against the barrier and cause a flood?—It would not. That is perfectly obvious if we look. Let us see what happens at every estuary round England. If it were, as has been maintained, that the alteration of the upper capacity of the tidal portion of the River Thames raised the water coming in as suggested; if a barrier were put up at London Bridge, and the same quantity of water must come up, the whole district would be flooded, but it cannot be maintained that if you have two estuaries side by side, which for the first few miles were identical with the Thames, one of which passed up the Thames and the other ended there, the one would overflow and the other remain at its normal level. I will explain how it acts. Let this end of my rule represent London Bridge, and this end Sheerness. When it is low water at London Bridge, the water stands at Sheerness about 10 feet higher; the water begins to flow up with great velocity, and if London Bridge is open it will flow through it; it will not accumulate so fast, but will spread over a greater surface. If you block London Bridge up, it will rise here so much more rapidly, and as soon as it has risen there is an end of the whole matter. The vacuum which tended to bring the water up there does not exist, and the tide will not come up there under the supposition, put by Mr. Bidder, that there is a space there, and then make a bow at London Bridge and stop there; but the force which helped it to come up, which was the space into which it could run at London Bridge, having been taken away it can no longer come there; it fills up more rapidly. The removal of the obstruction of London Bridge, which was two-thirds of a complete barrier, had the effect of making the time of high water much earlier, and did not affect the tide by more than an inch, though I do not believe it produced even that effect. The record of tide shows that the difference between high and low water in 1823 and 1835 was only an inch, London Bridge having been removed in the interim, whereas between the years 1835 and 1843 it was 6½ inches; the shoals having been removed.

1690. Mr. *Alexander Brown*.] It comes to this, that when it is high water at Sheerness and low water at London Bridge, the moment the water rises to the same height at London Bridge as at Sheerness, the force disappears altogether?—Not quite; because if it had any length of time to attain that effect, the water would find its level and remain at incidentally the same level; but in consequence of the momentum acquired it runs up until the time of high water at London Bridge, at that very moment the water at Sheerness is seven, or eight, or nine feet lower.

1691. Mr. *Maurice Brooks*.] Do I understand you to say that the water comes from Sheerness up the river impelled by some momentum from the sea; or comes in consequence of the natural tendency of water to find its level?—Both combined. There is a certain amount of momentum expended upon it at the mouth of the sea; and so long as the level of the water at Sheerness is higher than it is at London, so long its gravity assists its velocity; but after it has become level, which is about half tide, then it generally expends its forces; the force was accelerating, and then it is gradually retarding it until the sum of all the resistance is sufficient to say you shall not go any higher, and it stops; therefore the less those

those resistances are the higher the water will run before it expends its force.

1692. The momentum is acquired after it has fallen into the channel of the Thames, is it not so?—No.

1693. With a tendency to fill the vacuum, it rushes with velocity and acquires momentum, which it loses when it enters the channel?—No, it would be impossible to account for the phenomena that takes place both in the Bristol Channel and in the Bay of Fundy, where a fall of four or five feet results in heaping the water up to a height of 60.

1694. Is the momentum with which it leaves the sea still retained in the current after it has come over the shoals of Old London Bridge and Old Westminster Bridge?—Until it becomes quiescent, until it stops; so long as it moves, there is the moving force, until every particle of water comes to rest; then and then only is the momentum acquired expended.

1695. And that momentum is exterior to the channel of the Thames?—No, it is the combined effect of both, so long as the height at Sheerness is greater than that to which it is tending; after it has become level then it is retarding it instead of accelerating it.

1696. *Mr. Bazalgette.*] Now upon the question which Mr. Bidder put to Mr. Cory Havers on Friday, at No 1514, "You know that the floods since the Embankments have been made are higher than the floods ever were before"; is that so?—If you take the height above the Admiralty Prediction Tables it is not; if you take a mere historical fact it is; and I may say that the height of the tide is greater than it was since Blackfriars was painted green and picked out with gold; but there is no connection whatever between the two, it is a mere historical fact. Historical coincidences do not prove cause and effect.

1697. Can you give instances of occasions, since giving your evidence last, upon which the tide has risen 2½ feet above Trinity?—I have marked in a copy of the report in 1877, for the use of the Committee, the only five tides which have occurred since those which I stated in my evidence at that time might be termed high tides. There was one occurred upon the 8th of September 1877, which rose 2 feet 8 inches above Trinity datum, and 1 foot 3 inches above the predicted height. On 8th October 1877, the tide rose 3 feet 7 inches above Trinity high water, and 1 foot 11 inches above the predicted height. On 28th November 1878, it rose 3 feet 1 inch above Trinity high water, or 3 feet 5 above the predicted height. On the 11th of February of the present year it rose 2 feet 11 inches above Trinity high water, or 1 foot 11 inches above the predicted height. On the 10th of April last it rose 2 feet 10 inches above Trinity high water, or 1 foot 9 inches above the predicted height.

1698. The proposed height for the protective works for the Bill is 5 feet above Trinity?—It is.

1699. Can you state the nearest approach to that height which has been made by any tide of which you have the record?—The highest tide was that of the 15th of November 1875, which rose at some parts of the river to a height of 4 feet 9 inches above Trinity high water.

1700. Having reference to the proposed line of works, 5 feet above Trinity, that leaves 3 inches as the margin of safety?—It would.

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1701. Have you examined the petitions against the Bill?—I have. *Mr. Law.*

1702. I believe you have also made a very careful inspection of the river throughout the whole section of the river included within the scope of the Bill?—I have. I have gone throughout the whole extent of the jurisdiction of the Board, with the plans in my hand of the works which they contemplate, and have examined and compared the two. *5 May 1879.*

1703. Are you in a position to say whether any of the petitioners who petition against the Bill would be in any way affected by the works?—Many of those petitioning at present against the Bill have no works to execute, and are in no conceivable way affected by it, except in so far as they might be called upon to contribute as ratepayers towards compensation, if such was paid, to those who are supposed to be injured by the execution of the works.

1704. Have you seen any case in your inspection of the river presenting any peculiar engineering difficulties?—None. Generally speaking the works may be characterised as trivial; they are of immense importance, but the character of the works is very trivial; a slide here, a few bricks there, or a baulk of timber there, and a little board here.

1075. *The Chairman.*] Important in results but trivial in cost?—Yes.

1706. *Mr. Bazalgette.*] Have you seen any instance where the construction of the proposed works would interfere prejudicially with the premises as business premises?—By the adoption of slides where a permanent raising of the premises would be injurious, I do not see how any injury can arise. I have not seen any case where injury would appear to my mind as likely to arise.

1707. Are you in a position, from your inspection of the river, to corroborate Sir Joseph Bazalgette in his statement that three-fifths of the works have been already done by the owners or occupiers on the banks of the river?—That is numerically the fact.

1708. *The Chairman.*] Do you mean numerically three-fifths of the owners, or three-fifths of the length of the work?—Three-fifths of the owners; and I may say that some of the works which have been executed are very large and important, such as those of the South Western Railway at Nine Elms; in some cases they were the most expensive and important of the works; the Surrey Commercial Docks, which extended for miles, all that is done.

1709. And of the frontage which has to be secured, do you think more than half has been secured or not?—Certainly much more than half has been secured, I should say.

1710. *Mr. Bazalgette.*] Have you seen instances in which petitioners, who petitioned against the Bill in 1877, have since executed the protective works without suffering any inconvenience?—Yes; I have visited several where it has been done. Mr. Cory, I need not repeat, because he came to give evidence; neighbours of his, Messrs. Davey, who petitioned against the Bill of 1877, have since done the works, though they are for the protection of their neighbours, and not for their own protection; they permit the floods still to come over their own premises, and they have merely put slide boards to their stables and to their entrance gates.

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gates, by which they prevent the floods entering their stables and passing out into the neighbourhood behind them, and they leave their own premises to be flooded.

1711. The *Chairman*.] Why do they do that?—There are one or two reasons. If they raised their wharf in the same way as their neighbours have done, they think that the men who discharge the barges might ask a little more to lift the coals; then there is not quite head-way enough; they prefer to let the water come over their yard, but they take care that it does not pass off their premises or go into their stables, and that they have done by simple wooden slides. There is also another notable instance at Deptford. Messrs. Atkin, where on the former occasion 2,000*l.* worth of damage was done by one flood; it is a granary, and at the expense of 200*l.* they have carried out the works suggested by the Board, and they tell me it is more convenient than it was before, and they have done it in the most efficient and effective manner; they have raised the whole floor of their warehouse 15 feet inwards with concrete to a sufficient height for the tide not to come over, and they have got sloping boards, and it is more convenient to deal with the grain, taking it out of the barges and putting it in, than it was before.

1712. Mr. *Bazalgette*.] Did 2,000*l.* represent the damage done to themselves?—Damage done to materials in their warehouses, in the shape of grain spoiled.

1713. Do the works which you have seen afford protection, not only to the wharfingers by whom they have been executed, but also to the neighbouring properties?—That is so. In some cases it affords protection to both, as, for instance, in the case of Messrs. Atkin and in the case of Messrs. Cory; in the case of Messrs. Davey, beyond the slide boards to prevent the water getting into the streets, their works have been done to protect their neighbours.

1714. Are the works that remain to be done different in character from those executed voluntarily by the owners and occupiers?—No, they are precisely similar.

1715. Now, as to the Conservators, will the proposed works in any way interfere with the bed or soil of the river?—In no case do they touch the bed or soil of the river.

1716. Then the floods have resulted from works for the improvement of the navigation of the river, according to your view?—Yes; the removal of these shoals, especially those above London Bridge, must have enhanced the value of wharf property immensely, and have been a great improvement of the river itself.

1717. Mr. *Goldney*.] The floods have resulted, in your opinion, from the removal of the shoals?—Yes.

1718. Lower down the river?—Lower down and above, both.

1719. And those shoals have been removed by the Conservators principally?—Almost entirely by the Conservators.

1720. Mr. *Bazalgette*.] The improvement of the navigation of the river is an improvement to the wharfingers who carry on the business?—Yes, an immense benefit. When old London Bridge existed there was only one opening through which barges could pass, and that with great danger; for as I showed in the previous report, except at mid-tide, there was a great fall, one way or the other, through the arches, which

rendered navigation dangerous, and frequent accidents and loss of life occurred.

1721. Are the wharfingers the people who principally benefit by these flood works being executed?—Obviously so; the cause which has produced the floods has been the removal of impediments to the free and perfect use of their wharves.

1722. Do you see any peculiar hardship in calling upon an owner to pay for an improvement in the value of his own property?—In my own opinion, as a matter of equity, it appears reasonable that if a man derives benefit by something injuring his neighbours, it is not too much to ask him to rectify it at his own expense.

1723. Your view is that those who share the benefit should bear the burden?—Yes.

Cross-examined by Mr. *Bidder*.

1724. I do not know that we should go to Mr. Law for equity, but as you have gone into the question, I will ask you this: take the case which you mentioned a minute ago. You spoke of certain riparian owners in your experience, and within your knowledge, and I suppose there may be more who for the purposes of their own business do not care about floods, but of the two would rather have the occasional inconvenience of a flood than an interference with their business caused by putting works between them and the river, and who accordingly, you told us, leave their own works open to the river, although they have for the sake of people behind them, put up boards or some sort of dam to prevent the water going farther back; I think I understand you to say that?—Yes.

1725. I suppose there may be other cases like that?—Very likely.

1726. As you talk about equity, on what principle is it equitable that a man who has a wharf, or who has premises upon the shores of the river, and who has no reason whatever for the purpose of his own business to desire to shut out the flood, should have imposed upon him the cost of the works that are to be done exclusively for the benefit of the district lying behind, because it happened to be most convenient to do those works upon his land?—Because he is very largely benefited by that which is the cause of his neighbours being flooded.

1727. Do you suggest that nobody benefits by the River Thames but those actually living upon its banks?—No; but I say those who benefit most are those who, having property upon it, and being able to convert that property into valuable wharves, instead of it being waste land, have derived a benefit immensely larger than any collateral benefit from merely residing in its neighbourhood.

1728. That is, if they happen to carry on the business of wharfingers; I look upon the other side of the river, and I see out of this window a good deal of river bank not occupied in that profitable way, and I suppose I might see portions of the river bank not occupied in that profitable way elsewhere?—You will not see much of the river bank which you can call unprofitable, and which requires money to be spent upon it.

1729. I suppose you are aware that that very embankment that I am looking at now across the river had the effect of protecting a considerable district from flooding?—Partially.

1730. Entirely?—No, because it only extends a certain distance, and to some of the parts behind

hind it the water may find access from above or below it, and does so, as a matter of fact.

1731. You know very well that after the construction of the Victoria Embankment, the construction of the Albert Embankment was pressed very much on the Metropolitan Board in the interests of Lambeth?—Yes.

1732. Lambeth was very much subject to flooding?—Yes, and is now.

1733. Not to the extent that it was before?—Exactly; but that is precisely what I said, that it partially removed it, but not entirely; so far as it went it removed the flooding.

1734. That was done at the expense of the metropolitan rates?—Yes, but yet with the view of keeping out the floods, it was made a part of a great public improvement in the opening of new thoroughfares, and so creating improvement by which the whole of the metropolis could benefit.

1735. You know that one main cause for which it was pressed upon the Metropolitan Board of Works was to protect that particular district from flooding, amongst other things?—That is not within my personal knowledge.

1736. Why is it an equitable thing that the inhabitants of Lambeth should be protected from floods at the expense of the metropolis, whilst an inhabitant or a frontager of St. Saviour's should be compelled out of his own pocket to do works which he does not care about himself in order to protect the district behind?—You have not put it correctly; the money was not expended by way of keeping out the floods, it may have been one great advantage derived from it, but the main and great advantage, and the reason why the cost of it was placed upon the metropolitan rates, was because it was a great metropolitan improvement.

1737. It was not done for the sake of the frontagers themselves?—Clearly not, because they were all bought up.

1738. It was done for the sake of others, and it was right that they should bear the burden of it?—The frontager's property was purchased, he was extinguished.

1739. He was not extinguished, he went away with his pockets full?—But he was extinguished as a frontager.

1740. Let me apply that principle to this case: if a frontager does not want works done for his own sake, but works have to be done upon his land for other people behind him, why is not the same principle applicable that where you do works, not for his sake but for the sake of others, you are not to put the burden upon his back; you say it applies in Lambeth, why should it not apply in the case of St. Saviour's?—I do not say so at all. There is no comparison between the two.

1741. You say it was the right thing in the case of Lambeth to put the cost of the Embankment, and all the communications, upon the metropolitan rates, because the Embankment was to a great extent done, not for the sake of those in the immediate locality, but as a great metropolitan improvement?—Yes, precisely; being a general metropolitan improvement, and with the view of benefiting the frontagers, there was no other source that I see from which it could have been paid for, excepting a general rate; in extinguishing the frontagers, you did not ask them to do it.

1742. Take the same case lower down the

river in the place you desire to affect now. In taking the case of a frontager where you want to execute works, not in any way benefiting him, but for the sake of the district behind, is not the same principle applicable?—Not at all, he has a property which is of great value, because of something which has caused an injury to his neighbour, and you ask him at a very small cost to do that which shall prevent his benefit being a loss to his neighbours.

1743. As they had certainly at Lambeth property which was of great value by reason of the Thames which flooded the district behind?—Yes, but they ceased to be frontagers; if you like it, the then owners did do it because the then owners became the Metropolitan Board of Works, and they paid for it.

1744. The frontager went away with his pocket full of money?—He had nothing to do with the cost.

1745. And that is what the owners want now?—I do not see any analogy.

1746. As I understand, you consider the works that have been shown in the plans and estimates here, and estimated at 55,000 £, perfectly ample and efficient to secure the property against flooding by the tide?—Yes.

1747. You have no doubt upon that point?—Let me qualify that; if the same causes which are in progress now go on, tides may rise higher than they do now. Of course, the higher they rise the less rapid will be the future increase; because there is a limit to all these effects; but from what I see and know of the river, I believe that the limit fixed by the Board will be an ample one for many years, and if at the end of that time it should be found that anything more is wanted, it will be a three-inch plank spiked on to the top of the baulk, or another course of bricks, or a little piece put upon the top of the slide.

1748. Then if that is the case, why should not the Board be limited to works which they represent as being efficient for the purpose?—I can illustrate that by a record of what has actually passed; unless there is some authority whose duty it is, and who have the means of inspecting and looking after these things, and seeing that they are kept up, without any intention of negligence they may be omitted. In the case of *Odiam v. The Victoria Docks*, though there was a statutable obligation upon them to keep up their banks to a certain height, they allowed them to become depressed by wear three inches; the water overflowed the land, which resulted in damages to the extent of 5,000 £.

1749. That is maintenance, those are not new works?—All new works would be in the nature of maintenance; that is, that there would be a necessity of maintaining the height or increasing the height in their maintenance, as would be necessary by altered circumstance.

1750. I talk of restricting the power to new works?—It is a new work; if, as in many cases, baulks of timber are already put to keep the tide out, which are not sufficient, the new work which is to be done is, putting another new baulk on to it; and it will be much the same kind of work putting a new baulk on to this at a future time.

1751. It has been suggested that the cost is so small, that it would have been better to do the works than to oppose the Bill; you know that what the opponents are afraid of is, not their share

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Mr. Law. of the 55,000 *l.*, but the undefined liability in the future, which would be put upon them if they were called upon to do other works?—I think, judging from what I heard in the former inquiry, that the view of the petitioners was in some cases, that the Metropolitan Board did not propose works of sufficient magnitude, and it was put to me whether it would not be better to make a general embankment throughout the whole extent of the river.

5 May 1879. 1752. It was not put to you whether it would be better, but it was suggested whether it was not a very possible resolution to come to in the future?—I should answer it in this way: I am not a lawyer, and I cannot speak of the exact technical scope of the Bill, but it would be a great stretch of imagination, when this Bill is simply to carry out works necessary to keep out the floods, and the nature of that necessity is so clearly defined by a hard-and-fast line, as it has been by the plans produced, that at any future time the Board should try and make an embankment which would cost hundreds of thousands of pounds under the authority of their Act of Parliament.

1753. Are you aware that in this Bill, though we have the plans on the table, and estimates as well, there is no reference whatever to the plans or estimates, or any hard-and-fast line?—I know that the clear and distinct intention of the Bill, and the power it confers, is to do such works.

1754. I will not ask your opinion upon law?—The Bill is to do works that are necessary, and I do not imagine that the Board could so far alter their view as to entirely alter the character of the works, and instead of putting those works which are really necessary, put in some other gigantic works to be executed under cover of the Bill.

1755. You are aware, are you not, that under this Bill, the Board at any future time might have power to order any works which they might consider necessary or expedient for the purpose?—Which they might consider it necessary to exclude the floods.

1756. Are there any such words in the Bill as “excluding the floods,” those are your own words?—That is the object.

1757. Section 5 says, “From and after the passing of this Act, the execution of all flood works shall be subject to, and in accordance with such plans as the Board may from time to time cause to be prepared in pursuance of this Act, or with such plans or specification as the Board may from time to time approve.”

Mr. Cripps.] Now read the definition of flood works.

1758. Mr. Bidder.] “The expression flood works indicates the entire or partial construction, alteration, reconstruction in the same or any altered position of any bank, and the repairing, raising, strengthening improvements, or removal of any bank”?—In answer to your question of what I find in the Act, I find these words: “The Board, as soon as may be after the passing of this Act, shall cause a plan to be prepared, showing the line and level of the flood works, which are, in their opinion, immediately necessary for effectually protecting all premises within the limits of this Act, which, in their judgment, require protection from floods or inundations.”

1759. I do not ask you to construe the Act?—I am not construing it, I am reading it.

1760. You are aware, are you not, that the question of dealing with the liability to floods, upon the basis of a continuous embankment, is under consideration as regards the south side of the river, and various other parts not yet embanked?—By whom?

1761. It has been proposed by several people?—I daresay it has.

1762. Do you think it an equitable thing, supposing that hereafter the Board should be of opinion that temporary works or the works now proposed are not sufficient, and it is requisite to make a continuous embankment, that the cost of such embankment should be thrown upon the frontagers?—I cannot conceive such a thing being done.

1763. I simply asked the question; supposing that hereafter the Board should think it necessary to have a continuous embankment, would it be equitable to throw the cost of that upon the frontagers?—No, it would be very inequitable. I should imagine they would buy up the property and make the embankment themselves.

1764. Any frontager, according to this Bill, can be called upon to build an embankment in front of his house, is not that so?—

The Chairman.] That suggests to me that it is possible, with regard to this and some other matters, that much opposition to the Bill might be met or modified by the introduction of limiting words in some of the clauses.

Mr. Bidder.] I would say at once, that what many of the petitioners here are apprehensive of is, more the possible contingencies of the future than the contribution of 55,000 *l.*

The Chairman.] I only mean to say that that suggests to me the possibility that the views of your clients might be met by limiting words in the clause?

Mr. Bidder.] No doubt it is possible that it might be.

1765. You are aware, are you not, that by the scheme of this Bill, the Board have the ordering of the works, the frontagers paying for them, and the Board are the exclusive judges, without any appeal?—Yes; but I think you should bear in mind that there is also provision for those works being modified by arrangement between the Board and the wharfingers.

1766. Will you point out the provision which you are referring to?—As I understand the *modus operandi* it is this, that the Board are to deliver plans to the several owners, directing what works are to be done; and within 29 days the owners are to suggest any alteration which they could wish to make, and the Board will take it into consideration; and if there is no good reason to advance why the works would not be an effectual protection from flooding, I suppose that those works would be adopted by the Board.

1767. The Chairman.] The question is whether it would or would not depend entirely upon the opinion of the majority of the Board?—Entirely, as advised by their engineer.

1768. Mr. Bidder.] It is exclusively within the power of the Board to attend to such objections or not, as they please?—Yes, but the Board

is a responsible body, you must bear that in mind.

1769. Do you know of any precedent, either in the Acts of the Metropolitan Board, or any other body in the whole course of our legislation, in which a thing has been enacted without any appeal or reference to any independent tribunal?—That is a very large question.

1770. I made it as big as I possibly could?—I cannot answer it.

1771. In your experience, there is no precedent for it?—No, I do not say that, I dare say I might think of a dozen if I searched for them.

1772. Are you aware that in the Bill it is provided that certain of these works are to be of a temporary character, I mean in this sense, that they are of the nature of openings to be closed when not wanted, and to be open during business hours?—

1773. I will accept the correction and use the word "moveable;" does it occur to you that those works will offer a very insufficient security to the districts behind?—No; I think they will offer a perfect security.

1774. I want the fact; will not the safety of the district be dependent upon the ease with which the moveable boards or dams are replaced when not in use?—It may be so to a certain extent, but by imposing a penalty, or in many cases making the doors and slides self-acting, you reduce the danger to a minimum.

1775. I am reminded of an illustration almost opposite to us?—Do you know Messrs. Stiff's draw dock in the Lambeth Embankment, on the other side of the river?—Yes.

1776. Which is secured by gates to be shut when the draw dock is not being used?—Yes.

1777. And opening under the Albert Embankment?—Yes.

1778. Is it within your knowledge that there was a serious flood in Lambeth a year or two ago because the gates were not shut?—Yes.

1779. That is an instance then?—Yes, but there was no penalty at that time, and there was no Board of Works to see those things properly carried out.

1780. Still, in that case, works of that nature being left open, a very large district in Lambeth was flooded?—Yes, and that shows the necessity of some supervising power to look after the things, and see that they are done.

1781. Now about the tides themselves, I do not know that I shall succeed in shaking your views, but I must ask one or two questions; do you contend that in the case of a long estuary like that of the Thames, the narrowing of portions of the upper reaches does not tend to heap up the tide?—No, it does not; to produce that effect, you must have that narrowing gradual and uniform.

1782. Let us go by steps, if the narrowing be at all gradual and uniform, there is no doubt it does?—No.

1783. The example we see in the Bristol Channel is this, a tide which is 12 feet high or so at the mouth of the Bristol Channel becomes 30 feet by heaping up, by the time it gets to Bristol?—Yes, much more, 45 or 50 feet at King-road.

1784. I will refer to your evidence in order not to repeat it. You agree with me that the embankments have occupied the space which accommodated water equal to about six miles of the river?—Yes, that is the way I put it.

0.89.

1785. That is Question 982?—Yes, but I must show why they having occupied that space with the embankments by an amount of 909,000 tons, the effect would not be to put the same quantity of water on to the top of the river.

1786. At present I only ask the fact, the water at high tide which was accommodated on the space now occupied by the Embankment was sufficient to have occupied six miles of the river a foot deep?—Yes; or if you limit it to 150 feet, call it as high as the Monument; it is a comparative calculation.

1787. At Sheerness, I understand, it is high water three or four hours before it occurs here, is it not?—Not so much as that; between two and three hours.

1788. Therefore the tide has turned at Sheerness before the foreshores of the river opposite Westminster and the Temple are covered at all?—Not quite that, but before there is any great depth of water upon them.

1789. The same quantity of water enters from Sheerness as did before, surely?—Certainly not.

1790. It being low water in the upper reaches of the river, do you suggest that the tide at Sheerness is furnished with a certain foreknowledge that when it gets up to London it will not find accommodation for it?—I say this, the quantity of water which enters every tidal estuary depends upon the conformation and capacity of the tidal estuary throughout its whole extent; and you cannot alter any certain part above or below the tidal estuary without at the same time affecting the quantity of water which will enter at the mouth.

1791. Supposing this large area of foreshore which is now occupied by the Embankment is not covered with water at all, until after high water at Sheerness?—I do not say that.

1792. It is nearly dry; is not that so?—No, that is not accurate.

1793. Supposing that it were so, do I understand you to say that in consequence of your having by the Embankment shut off that accommodation, the tide at Sheerness, which occurs three hours sooner, allows so much water to pass that point?—Undoubtedly.

1794. Because it knows it will not get room when it gets up to London?—No; because as the water rises it heaps itself up so much more; the incline is reduced the whole of the way; we are talking, of course, about inferential effects; but, to show that it is so, you may take away half the river, put a barrier across London Bridge, and then the less water will come in, and just to the extent that you diminish the capacity so will you diminish the quantity of water that will enter.

1795. Supposing it were possible to do it instantaneously by putting a great board in the place of the Embankment, so that the board was not introduced until after high water at Sheerness, the water would have passed Sheerness, and would have been on its way up?—That you would keep it up tremendously, and the effect would be produced at once. I could have allowed the effect of that Embankment just being there to have been operating for some time, and then suddenly put the Embankment there, you suddenly arrest the water, and heap it up higher, but you cannot do that, and you do not do that.

1796. Surely it comes to the same thing; at the time when the water passes Sheerness on its way

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Mr. Law. way up the river, the effect of the Embankment here has not begun to be felt as far as the tide is concerned. The Embankment is as if it did not exist, because the tide has not risen at this point?—No; it is not so at all. You have affected the previous tide. It is there, and it has affected the quantity of water which came in the previous tide, and the quantity of water which is running down. You cannot imagine the river to be the same as it was up to a certain time, and put a sudden obstruction there, and say it would have the same effect as if it were not there before.

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1797. I will take one step further; you went so far, if I follow the question of the Chairman, as to say that the effect of the Embankment was to lower the level of high water?—It is so, as it happens; as a matter of fact it is so.

1798. If you traced the effect of it, apart from the dredging and other matters, it would actually lower the level of high water?—Yes, it is obvious that the position you put cannot be true, because if it were the converse must be true; and if you increase the capacity of the tidal water, and the same quantity of water always comes in at Sheerness, the water must rise very much less in the larger capacity than it did before; as a fact the tidal capacity of the river between Blackfriars bridge and Battersea bridge is 47 per cent. greater than it was before, and instead of the tide being lower it is 14 inches higher.

1799. I was going to put the converse; if the placing of the Embankment and the cutting off of the lateral space had the effect of lowering the high water, conversely the removing of obstructions would have the effect of lowering high water?—It depends not only upon the capacity, but upon the configuration that you give to the channel.

1800. The Embankment has narrowed and straightened the channel of the river?—No, it has made that portion of it more nearly approaching to some other portions of the river.

1801. The removal of the Embankment would, considering the old condition of things, have opened up a certain lateral area of low ground, which would then receive water?—Yes.

1802. And that you say would raise the level of the high water?—Yes, because you have increased the resistance to the tide flow.

1803. May I take it as your view that the more you open laterally room for the water to spend itself the higher the tide will rise?—Yes, it depends upon the conformation; you must not draw a general conclusion from a statement which is only partial.

1804. Then if we could sweep away the Embankment and reproduce a great marshy lake, Heaven knows to what height the tide might rise?—Oh, no; you have no channel to direct it.

1805. Now I leave the region of theory and go to the region of fact. I turn to your diagram No. 7, and I want to get one or two facts from you; I see you give the date of the completion of the Thames Embankment in 1870, is not that so?—Yes, the Victoria Embankment.

1806. Is it the fact that since the completion of the Thames Embankment the tides have risen higher in London than they ever did before in the whole record of history?—With reference to absolute height they have risen higher, but as exceeding the height that was due to exterior causes, they have not risen so high as they did previously.

1807. Never mind that?—I do mind that, because it is the whole question.

1808. Never mind the predicted tides. I am dealing with facts. As a matter of fact, it is correct to say that since the completion of the Embankment the tides have risen higher than they ever did before?—

1809. Sir Trevor Lawrence.] We have already had it that the estimated heights of the tides based upon the calculations of 40 years, has proved itself to be true?—It is marvellously accurate. The high tides have been less frequent and higher, but not higher as compared with the predicted height.

1810. Mr. Bidder.] Will you for a moment, in order not to confuse the notes, go to this point: in the whole history of the River Thames, so far as you have any record, what is the highest tide above Trinity at London Bridge that ever occurred before the completion of the Thames Embankment?—Three feet nine inches.

1811. When was that?—It was on the 12th of November, 1852.

1812. Since the completion of the Thames Embankment, in the short space of eight years, have you had the tides all considerably exceeding that?—One tide exceeding that by 3 inches.

1813. What are the different heights, one of 4 feet, one of 4 feet 3 inches, and one of 4 feet 7 inches?—We had a tide on the 20th March 1874, which was 4 feet 6 inches above Trinity high water; we had a tide on the 15th November 1875, which in some parts was 4 feet 9 inches above Trinity; and we had a tide on the 2nd January 1877, which was 4 feet above Trinity.

1814. That is within eight years?—Yes.

1815. Now I understand your explanation of all those tides is that they are the consequence of an extraordinary concurrence of accidents?—It is a matter of fact, and the evidence is given very fully in the Report of 1877.

1816. That is your explanation, is it not?—Yes.

1817. Meteorological combination of an utterly unprecedented character?—Not unprecedented.

1818. Unprecedented in their effects upon the tide?—Oh dear, no. The tide of 1845, which was produced by similar causes, rose to 5 feet 8 inches above the normal level.

1819. I am not going into that question, but no such effect as regards the absolute height of the tide had ever been produced before?—Because they occurred at the spring tides.

1820. Is it not rather a strange thing that these meteorological combinations, which had never produced such an effect in the whole history of the River Thames up to 1870, have three times between 1870 and the present time produced it?—It is an act of Providence that it happened to occur at spring tide instead of neap.

1821. Providence has been exceptionally hard upon us in 1870?—No doubt.

1822. I will take these exceptional tides. I see you draw a figure for every foot. Tides above 3 feet are very high tides, though not as exceptional as those we have been speaking of?—Yes, they are.

1823. Dividing your record of tides into the period before the completion of the Thames Embankment, and the eight years that have passed since its completion, is it the case that you had as many tides, I think it is, above 3 feet, in those eight years, as you had in the whole previous history of the Thames?—No; this table only extends to the year 1833.

1824. Is it the case as far as your table goes up to 1833?—Yes.

1825. Am

1825. Am I right in that?—Yes.

1826. That is to say you have had as many tides above 3 feet in the eight years from the completion of the Thames Embankment, as you had previously at all events as far back as 1833?—Yes; because we have the fact, which is more important, that the tide has itself gradually increased the average height to the extent of 14 inches. You must bear in mind when you ask as to the Victoria Embankment that the date of it is also the date of the dredging in the upper part of the river.

1827. When you say that the tide has increased its average height, and therefore has increased its maxima, you will find if you look at your diagram that until the Thames Embankment was completed, those high tides above 3 feet were more prevalent many years ago than they have been of more recent years?—Yes; that is a matter of chance.

1828. Therefore, your diagram does not show that the maxima of the tide had been gradually increasing?—No. As those high tides were caused by accidental circumstances, general conclusions drawn from them would be entirely erroneous. If you really want to find out what effect has been produced upon the height of high water, you must do as I have done, namely, take a whole year's observations, and from that whole year's observations you can draw general conclusions.

1829. As to averages?—As to effects.

1830. As to average tides?—Yes.

1831. The average tide is not the tide that floods us?—No; but the average tide is that which shows you what changes have taken place in the régime of the river.

1832. Now, to go to another question. At page 70 of your evidence of last year, question 947, you attributed the additional increase in the height of the tides to the removal of Westminster and Blackfriars Bridges?—No.

1833. I will read your evidence.—That is one of the causes. I attribute it now as one of the causes, undoubtedly. I was called to clear up the point as to how it was that, London Bridge having been removed in 1834, the effect was not felt till years after, and I then explained it, and should have given the evidence in relation to the shoal that I have given to-day, but the learned counsel stopped me, it being new matter.

1834. I only want to be strictly right. The evidence says that the removal of the bridges necessitated the removal of the shoals afterwards; it is Question 947, at page 70, "Speaking of the portion of the Thames above bridge, do you find any tides comparable with those before the execution of the Thames Embankment?—No; the tides have risen higher since the Embankment. Then, whatever theory may say, I am justified in saying that, as a fact, the tides have risen higher above bridge since the Embankment was made than they did before?—They have, and that is due to the removal of Westminster and Blackfriars Bridges. Whatever it is attributed to, that is the fact. We know when Blackfriars Bridge was removed, but Westminster has been removed twenty years, the removal of Westminster Bridge dates back to 1857?—It does; but, as I explained in my evidence in chief, the removal of the bridge does not produce an immediate effect. At the time Westminster Bridge was removed a shoal existed opposite Montague House, which was dry at low water, and as soon as the bridge was re-

moved then those shoals had to be removed, and it is the gradual removal of those shoals which has gradually increased the height of the high water line."

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Mr. William Egerton.] That is the evidence which we have been going into, which has proved that if you remove the shoals and deepen the bed of the river you increase the height of the tide; therefore, if you remove the bridges you deepen the river, and by deepening the shoals you increase the height of the tide.

1835. Mr. Bidder.] The primary cause is the removal of the bridges, and, consequent upon the removal of the bridges, the removal of the shoals, and the effect of the whole together is an increase in the height?—The shoals would have been removed years before, but that the trustees of Westminster Bridge begged the Conservators to leave it there, knowing that the removal of it would bring down Westminster Bridge, which was only supported on timber centres.

1836. Assume that you are right, and that the Embankment itself has nothing whatever to do with the rise of the tide, and that the causes you here referred to account for it. If, for purposes of public improvement, old bridges have been removed, and shoals have been dredged away, and that has resulted in liability to flooding, why is the unfortunate individual who occupies premises on the river bank to be made to bear the burden of protecting against the flood?—Because those are not general improvements, but improvements for the navigation of the river by which those people are more largely benefited than anybody else.

1837. Westminster and Blackfriars Bridges were made, to a great extent, as improvements for the carriage traffic, were they not; old Blackfriars was a very steep gradient?—Blackfriars had been altered and had been made a much easier bridge with the hope that it would stand, and Westminster had been lowered also.

1838. No doubt the removal of shoals improved the river traffic, but it affected a much larger area of persons than those happening to be frontagers on the Thames in London?—Not nearly to the same extent.

1839. All the docks and all the wharves up the river participate in the river traffic?—Those are the parties now called upon to perform the works.

1840. I put it to you, do you think that, although those were undertaken as general improvements, the new bridges and the improvements in the river, it is a fair thing to put the consequences of those upon the unfortunate individuals who happen to own premises by the river side?—I do not allow them to be general improvements, except as accidental; when a bridge was pulled down advantage was taken to improve the approaches to it.

1841. You said you had gone through the works in detail, therefore I must ask a few questions in reference to some of my clients, the St. Saviour's District Board; do you know this district?—Yes.

1842. I see the estimate as regards St. Saviour's district comprises a great many items, some of them quite trivial in amount; for instance, "Old Barge house, add a glass screen to window, 7l.," and some other works, "add a tide board," and so on, and "complete temporary works

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works already begun," and so on; are you aware that a great many of the works which you treat as only wanting 6*l.* or 7*l.* spent on them are works that were put up in a hurry, and of a temporary character, to protect the neighbourhood against floods?—I am not aware of that, I do not know whether you refer to cross boards put across the street, and those kind of things.

1843. Are they works you treat as permanent works, only requiring little improvement or amendment?—They have been all carefully examined, and they are not sufficient or permanent, something better is to be substituted.

1844. Are you aware that a good deal of the banks of St. Saviour's campshedding is very old and to some extent weak in its nature?—Yes.

1845. It is a question whether the imposition on the top of it of the weight involved in carrying out your plans, would not bring the whole thing down into the river?—There is no question at all about it; these very wharves sustain a lot of heavy waggons, and all that is proposed to be done is to put a baulk of timber upon the top of the two baulks already existing.

1846. I am sorry to put a hypothesis which you think to be inconceivable, as happening in fact; supposing it should happen that the Board ordered a wharfinger to put a brick wall or baulks of timber in front of his campshedding, and the result was, it being old and weak, that it was unable to bear the additional weight, and it came down with a run, who is to bear the cost of that?—These works, you forget, are to be directed by skilled engineers.

1847. I do not forget anything?—I cannot conceive such a thing possible that a skilled engineer would, after examining a wharf, put a weight upon it which would make it tumble down.

1848. Take it to be impossible, supposing it should happen, who is to bear the cost?—I never give my opinion upon an hypothesis which I think impossible.

1849. Under this Bill, the unfortunate wharfinger would have to bear the cost of replacing it, is not that so?—It is not credible that the engineer of the Board would order a weight to be put on which would cause the walls to tumble down.

1850. Did you make any inquiry of the district officer with regard to these works before making an estimate of them?—No.

1851. Did you ascertain whether they had in contemplation any alteration or improvements of the works?—No.

1852. You know that they were works which had been provided, some of them, under the direction of the district officials?—Yes.

1853. Was it not worth while to put yourself in communication with the surveyors of the district?—Those works they had put are temporary works; they allow the highway to be flooded, but they prevent the streets laterally passing off from being flooded; those will cease to be of avail; they now sometimes block up half the street; they could not be left as they are.

1854. I will call attention to one as an illustration, the last, No. 146.—"Quay, St. Mary Overys Dock repairs, to woodwork, 7*l.*"

1855. Is that a temporary work?—Yes, and being temporary, requires 7*l.* to put it in a proper state.

1856. Are you surprised to hear that the Board estimated 50*l.* or 60*l.* as required to be

spent at that one spot?—I have no knowledge of any estimate.

1857. Are you aware that that was a mere temporary work put up solely for the protection of the district from flood?—I am aware that, after careful examination, the engineers of the Board had come to the conclusion that some 7*l.* would put it in a good condition.

1858. Permanently?—Yes.

1859. As to the wharfingers on the north side of the river below bridge, do you know the wharves there?—Yes, generally.

1860. Some of them are very important wharves; I will take, for example, three wharves belonging to Messrs. Knill, London Bridge Wharf, Fresh Wharf, and Cook's Quay, and Hammond Quay; there is something like 400*l.* estimated to be spent upon those wharves?—I see those items, they are No. 180B.

1861. Would the works, if constructed permanently, interfere with the conduct of their business?—I do not think so.

1862. Are any works required there for the protection of the business behind?—Not behind, but for the protection of the property laterally. Thames-street is sufficiently high to protect itself; but the principle of these works is, that if the property will allow the water to pass laterally, that something shall be put on the divisional line between the two properties, to prevent the water so passing.

1863. Do you know the contour of the land there; I am told it rises pretty rapidly behind the wharf?—It does.

1864. There have been some floods there, have there not?—No doubt.

1865. Do you know that the floods there are caused, not by the Thames water rising over the wharves, but by land water coming down in times of heavy rains so rapidly that the means of discharge are not sufficient, and it bursts up through the gully-holes?—That is a matter for the Commissioners of Sewers.

1866. Do you know the fact?—No, I have not been there during the heavy rains.

1867. If that is so, obviously the erection of a barrier between the wharves and the river would be pernicious rather than beneficial; it will pen in the land water?—That is a matter that ought not to come up through the gullies, and that is an omission on the part of the Commissioners of Sewers, if that exists.

1868. Mr. Maurice Brooks.] What are the variations of the level of the water at high and low tide at London Bridge?—The variation of the tide might be taken at 16 feet at neap, to, perhaps, 25 feet at spring tide.

1869. At spring tides, what is the variation?—About 25 feet.

1870. You mean, give a level to-day, that level, in consequence of floods, might be higher?—No, it must be a very excessive flood that would affect the level of the river down at London Bridge; occasionally, it may be so, but it must be a long continued and excessive land flood which will influence the river so far down as that; it does produce an influence, of course, but I mean an influence that will be felt appreciably.

1871. It bears upon the question of the learned counsel, will not that augmentation of the volume of water, which is the consequence of a country flood, raise the level of the Thames at high water?

—Yes,

—Yes, it produces the same influences, of course, at high water as at low water.

1872. And would that augmentation be greater than the augmentation of the volume of water before the Embankment was constructed?—The Embankment could not affect it; the Embankment could not produce any effect upon it.

1873. A certain quantity of tidal water would come up the channel of the river?—No, it never enters the channel of the river; it is excluded from it altogether.

1874. Mr. *Bidder*.] As to these wharves upon the north side of the river, did you take any trouble to ascertain before these works were determined upon, to what extent flooding did take place upon those wharves; did you make any inquiries?—No, because the principle which has been adopted is this: there is a certain definite level; the level is 5 feet above Trinity high water, and as no tide has ever risen to that height, there may be properties where very little is required which have never yet been flooded, and which are called upon to do the works.

1875. I understand you that in determining these works you have not inquired into the particular cases, but you have gone upon a general principle. You have taken a section of one side of the river and the works upon it; you have drawn a line of 5 feet above Trinity high water upon both sides of the river, and wherever you have found anything below that line, you have ordered works to bring you up to it?—That is so.

1876. And taking the case as suggested, as to my clients the wharfingers, for anything you know a work of that character may be positively injurious, by penning in land floods, rather than beneficial?—No, it is impossible; you cannot talk of land floods at Fresh Wharf, London Bridge.

1877. But supposing that it does occur that the water comes up through the gullies?—Then it is the neglect of the sewer authorities.

1878. For anything you know of in these cases, where the land rises rapidly behind the wharves, there may be no useful purpose served by the raising of the bank to the 5 feet; nature may have provided the protection a little further back?—No; where a man's premises solely are flooded, the Board do not call upon him to execute any work at all; but where, by reason of the property on either side of him being lower, it would flood his neighbour, he is called upon to make himself secure, and his neighbour as well.

1879. You have not made any exception on this account?—Yes, I have.

1880. I thought you had drawn a general line of 5 feet?—No, a general line which shall prevent properties contiguous being flooded, but where the property is only itself flooded, no works are proposed by the Board.

1881. Can you refer to any case in which you have omitted a property on that ground?—I do not know that I can, but I know that is so.

Cross-examined by Mr. *Balfour Browne*.

1882. As to Ward's Wharf, I think you said you have considered the matter, and you thought no inconvenience would arise to any wharfingers from the works ordered by the Board?—Yes, I have not seen any case in which they did amount to an inconvenience.

1883. Have you considered the special case of the Ward's Wharf?—I know Ward's Wharf very well.

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1884. Can you tell me what the works were that the Board thought necessary in Ward's Wharf?—It is a dock, where one side is protected and one side is left unprotected. Mr. *Law*.
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1885. What is the estimate?—£. 188.

1886. Upon the part which is at present unprotected, how many openings did you think it would be necessary to make?—Two tide boards are proposed upon property No. 75.

1887. The whole length of the dock is about 178 feet, is it not; you know that?—I do not know the exact length. I know it runs back considerably towards Belvidere-road.

1888. And you think that if two tidal openings were made in a distance of 178 feet, it would be sufficient to allow the persons there to conduct their business without inconvenience?—That was the suggestion of the Board, but if the wharfinger wanted to make more he would represent it to the Board, and unless some good reason was given for his not doing it, more would be put.

1889. Would the difficulty be much greater if 23 openings were necessary in the whole dock? I cannot imagine such a thing.

1890. But the question how many would be necessary, would have to be determined from the nature of the business being carried on there at the time, would it not?—Undoubtedly.

1891. And by the estimate, the Board thought at one time certain shoots would be necessary, did they not?—They have put two dust shoots.

1892. Are you aware that the tenancy of the people where the shoots were proposed has come to an end, and that shoots would no longer be necessary?—I am not.

1893. Does not that show that the varying nature of the tenancy may make new works necessary with every new tenancy?—No; imagining that the dust tenant had remained, and the shoots had been put up, the only change necessary if they ceased to be required, would be to take the shoots off their hinges, and leave the slide boards as they were.

1894. You think that would be all?—I know that would be all.

1895. Would the same width of opening do for all kinds of trade that they would have carried on?—Yes; an opening the width of a dust-cart would suit every kind of trade.

1896. If they had very heavy machinery do you think an opening five or six feet wide would be sufficient to conduct trade in heavy machinery?—Yes; heavy machinery would have to be lifted by a crane over the opening.

1897. It would be lifted over the palisade you propose to put up?—It is not a palisade.

1898. It is a wall some feet high?—I should imagine it was only inches, not feet.

1899. If we lift heavy machinery over a wall, it imposes a heavier cost?—No, you must have brought the machinery in some vehicle which must have been much higher than this wooden slide between itself and the river.

1900. Do you think there would be no such thing as a business being conducted by machinery being brought here and allowed to lie on the wharf itself a certain time and then be lifted into barges or boats?—That would be a business so inconvenient to the wharfinger that he would only do it under necessity, or if a barge was not there ready to receive it, it would be an imperfect way of carrying on the business.

1901. Would there be any difficulty in raising heavy machinery over and landing it on to the wharves?

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wharves?—No, he would put on a vehicle, he must have the means of lifting it, and the vehicle to receive it would be higher than what he had to lift it over.

1902. Do you know how the trade in fire bricks is conducted; those are not lifted by crane, but by hand?—Yes.

1903. Are you aware that in raising fire bricks over this wall, one extra man would be necessary at every ship?—No; possibly a man would have to stand in the opening, the bricks would be passed through the opening.

1904. Would it not imply being carried to the opening from the place in the barge from which the bricks are being taken?—No; because you may have frequent openings.

1905. You only propose two?—In most cases, the bricks are thrown along the barge from man to man; they stand one on each side, and by a little alteration of these men, you can bring them to the nearest opening.

1906. The bricks have to be handed along in order to get to the opening, and that would be more expensive in the way of wages, would it not?—No, that is not so.

1907. You know the length of the barges?—Yes.

1908. How long are they?—About 80 feet, but only the middle, 50 feet probably is available for bricks, and the ends are buoyant ends.

1909. They may have to carry the bricks 50 or 60 feet to get to the opening?—No, that is impossible, you take them to the nearest opening, and unless you put your openings 50 feet apart, you could not have to do that.

1910. You only propose two openings in 178 feet?—Yes; but if they are not enough, there is nothing to prevent them putting more.

1911. How many openings might enable an owner to conduct the trade efficiently?—If he gives me all the circumstances of the trade, I would give him an opinion.

1912. I may take it that there would be some inconvenience in reaching the opening?—I do not see any.

1913. I daresay you know that, as a fact, wharfingers at the present time carry on a trade, to some extent competitive, with the docks, do they not?—Yes, they may.

1914. At the docks, there are none of these obstructions that there would be on their wharves?—Yes, there are.

1915. Are there?—Yes, in most cases the quayside of the dock itself is as high, or higher, than we propose you should have your wharves with openings in it.

1916. And they have made their quayside for the convenience of the trade carried on there; we have made our quayside lower than you wish to make it now, in order that we may conveniently carry on the trade at our wharves?—So the parallel between the two ceases.

1917. There is no such obstruction at the docks as you propose to make at our wharves, is there?—Precisely the same, because the docks are already as high permanently as you propose you shall have them for a short distance with openings.

1918. I think there is no such obstruction as a fact upon the loss of the quay in the dock as there would be in our wharves?—Because the whole is raised to the same height.

1919. And that for the size of the vessels unloading, there is an equivalent to the wharf as it

at present exists at Ward's Wharf?—No, there is no comparison between the two.

1920. When the tide goes off Ward's Wharf, I suppose the craft goes aground, does it not?—Yes.

1921. So that it might not be possible to move the craft so as to get it placed convenient for the opening?—You would place it so before the tide went down.

1922. How many craft may be in there at a time, you do not know?—No.

1923. You do not know that there may be seven craft lying alongside, and on the quay in connection with the river?—They must be very small craft.

1924. If it is impossible to put them as you wish, before the tide goes out, it would be impossible to move them afterwards, and we should have to carry our bricks or other materials to the opening?—No, you know more or less from experience where the openings are best placed, and you place your craft there.

Cross-examined by Mr. Pembroke Stephens.

1925. You told my learned friend Mr. Bidder that the works which would have to be done in the future in the Thames, would depend upon the height to which the high water level might hereafter rise?—Yes.

1926. You have already given your own long connection and acquaintance with the Thames, are you the gentleman through whom the statistics are to be put in as to the increase in the high-water level of the Thames since 1845?—I have given evidence on that subject. I am not aware that I am to put in anything beyond what I have done.

1927. I will read you exactly what I am upon. Sir Joseph Bazalgette, when he was under cross-examination, was asked, at page 104, Question 1032, "In 1845, as distinguished from 1823, when you began, there had been a rising of the high-water level of 14 inches and a quarter?—Yes. Now those figures stop in 1845?—Yes?" Then I ask Sir Joseph whether he can carry them on; I say, "We have to get some figures on Monday, would it be a great deal of trouble for you to let us have that?—No, I think it probably has been worked out, but I have not got it. I am not sure whether there are observations enabling us to give it; but what there are you shall have?"—I can give you it up to 1843, as compared with 1823, the average height of high water had risen 7½ inches; since that date it has risen another 7½ inches.

1928. Making in all 21 inches?—Fifteen inches.

1929. Forgive me, there must be a mistake; in 1845, as distinguished from 1823, you told us to that date the rising of the high-water level was 14½ inches; that is the evidence of Sir Joseph Bazalgette, and that was the evidence in 1877.

1930. Let us have it as you say it ought to stand?—The rise between 1823 and 1835 was one inch; between 1823 and 1843 it was 7½ inches.

1931. Forgive me, I am sorry to correct any figures of yours, but certainly that is not the evidence that has been given either in 1877 or this year in this room?—I think that is right.

1932. The reference is in page 6 of the evidence of 1877, and page 104 of the evidence here; the same

same particulars are given in 1877 as here. At page 6, the evidence in chief of Sir Joseph Bazalgette last year, he says this, "And between 1843 and 1845 it was raised an inch and a quarter, so that between 1823 and 1845 there had been a raising of the high-water level on the average of 14 inches and a quarter." And then he is asked, "That is to say, in a period of 20 years?—In a period of 22 years." That is the evidence of 1877. Now in the evidence here, at page 104, he is asked: "1845, as distinguished from 1843, when you began, there had been a rising of the high-water level of 14 inches and a quarter?—Yes?"—I can explain the discrepancy. I was giving an answer in reference to what it was below London Bridge.

1933. What I want to get from you is this: the continuation of the figures Sir Joseph Bazalgette was good enough to promise to give us?—I will give it you both above and below, if you wish; and it is this: below London Bridge, the extra height of the high water between 1823 and 1835 was one inch; above London Bridge it was seven inches.

1934. What I want to get is between 1845 and 1847?—That I gave you as $7\frac{1}{2}$ inches, which is 15 inches below London Bridge and 21 inches above London Bridge.

1935. Sir Trevor Lawrence.] The rise was $14\frac{1}{2}$ inches in the earlier 22 years, and $7\frac{1}{2}$ inches in the latter 33 years?—Above London Bridge, yes; but 7 inches less below London Bridge, because of the obstruction of the old London Bridge.

1936. Mr. Pembroke Stephens.] Are not the last 33 years the precise period during which, in your evidence, you speak of great changes having taken place in the river owing to dredging operations?—That is a portion of it, from 1857 to the present time.

1937. How do you account for the falling off in the rising of the high-water level in the course of the period that you speak of, namely, the period of the dredging operations?—There is no falling off; very considerable improvements were made in the river before 1843; I may say that sections were taken by direction of the Corporation of London by Mr. Telford, the celebrated engineer, in 1823, being ten years before London Bridge was built; and in 1843 by direction of the Commissioners of Works, under Mr. Page's direction, I took similar sections on the same lines as Telford had taken them, starting from Battersea Bridge to Blackwall, and those sections showed a very considerable deepening of the river between 1823 and 1843; and it was from that deepening and the removal of those shoals that the seven inches had resulted. It was very much a natural operation resulting from the removal of London Bridge, the natural scour of the river, occasioned by the removal of London Bridge; the change which has been made since, of $7\frac{1}{2}$ inches between 1843 and 1878, is due much to artificial dredging; and I must remind you of what I said before, that as the height increases so does the rapidity with which it continues to increase in height diminish.

1938. Can you put upon the notes, in the form in which you would wish to have them, the exact figures, in relation to those which Sir Joseph Bazalgette gave us, without distinguishing above or below bridge, but merely continuing his figures?—Yes; the continued increase of the average level of high water since 1843, both above and below London Bridge, is $7\frac{1}{2}$ inches.

1939. Without repeating any part of the

evidence that you can avoid, I understand you to state distinctly to my learned friend who examined you, that dredging has increased the quantity of water in the river, and consequently the height of the water level?—Yes.

1940. And similarly that the diminished capacity lessens the height of the tide?—That is so.

1941. And to that you adhere?—I adhere to that.

1942. If that is so, would you kindly turn to passages in the former evidence, and let me ask you how you reconcile that. At page 57 of the evidence of 1877, Question 825, you will find this in relation to the sections you were referring to a moment ago. You were asked, "What was the object of your taking 61 tranverse sections of the river in 1843; you have already told us that it was to determine the effect of the removal of old London Bridge with regard to those 51 tranverse sections which had been previously taken by Mr. Giles?—It was. So as to ascertain the exact effect of the removal of London Bridge upon the bed of the river?—Yes, and the effect of the removal of London Bridge was to lower the low-water line. In 1823 Mr. Montague, the then City surveyor, took a complete set of tidal observations, extending from the London Docks to Teddington, for the purpose of putting upon record the then height of the tide, in order that the effect produced by the removal of London Bridge, which then had become a necessity, might be determined. The line A. B., drawing No. 3, represents the high water at that time; it shows a fall of 8 inches through London Bridge, as there shown; it shows the resistance caused by Southwark Bridge, which heaped the water slightly up there; it shows a similar resistance at Westminster Bridge, which heaped the water up at that point; and then the height of the water successively rose until, at Teddington, it was about half an inch above Trinity high water, the strong black line representing Trinity datum; the low-water line C. D. rose suddenly at London Bridge to the extent of 5 feet 4 inches, as I explained; it was then heaped up by the resistance of Blackfriars Bridge, and a little heaped up by the resistance of Westminster Bridge, and then it continued to rise gradually, until it reached Teddington; the immediate effect of the removing of the bridge was to lower the level of the low-water line 5 feet 4 inches." Now I want to know how you say, having given that evidence, that diminishing the capacity of the river lessens the height of the tide?—There is no relation between them.

1943. The effect of removing London Bridge was to increase the capacity of the river?—Yes.

1944. Yet you say here that the immediate effect of the removal of the bridge was to lower the level of the low-water line 5 feet 4 inches?—It was by virtue of the lowering of the low-water line that you increased the capacity of the river; it was done for that; by lowering the low-water line, you increased the space into which the tidal water could come; you made it easier for it to flow, because it had to get to a less height, and so it rose higher.

1945. That was the effect of the removal of the bridge?—Yes.

1946. Now I will read on: "The line E. F. represents the bed of the river, showing the deepest point at each cross-section taken by Mr. Giles in 1823. Of course the scale is very much distorted; the shaded hillocks represent the shoals existing

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existing in the bed of the river, but which were not impediments to the navigation, because the old bridge heaping the water up, there was sufficient depth of water for the navigation; but when the bridge was removed, and the low-water line lowered, then these shoals were discovered, and it became necessary to remove them in order that the navigation might be maintained." Do you remember your evidence in the early part of to-day, in which you attributed the effect of the improvements of the river entirely to the dredging; do you adhere to that evidence?—Certainly; and I candidly confess I do not see your point.

1947. The immediate effect of the removal of the bridge was to lower the level of the low-water line 5 feet 4 inches?—Yes; it dammed it up to that extent; when you took the dam away the water ran down and left the shoals.

1948. Then you do admit that a bridge across is a dam?—Yes.

1949. And heaped the water up 5 feet 4 inches?—At low water?

1950. Any water you like?—No, at high water it heaped it down; at high water it prevented it rising too high; at low water it caused it to remain higher; it was as difficult to make it flow upwards through London Bridge as to flow downwards, therefore it kept the level at low water 5 feet 4 inches lower, and at extreme high water it kept it 8 inches lower.

1951. It was London Bridge that really dammed up the river partially?—It dammed it up to the extent of two-thirds of the whole opening.

1952. Now let me remind you of an answer that you have given, that you might put a bar right across the river, and it would not have the effect of damming up the water?—It would convert the upper part into a lake; it would produce no effect in the height of the tide below bridge, but it would obviously destroy the river and convert it into a lake above, and you would have no tide above bridge.

1953. How do you reconcile your statement that London Bridge heaped up the water to such an extent, when a barrier right across the river would not dam it up at all?—It would dam it up naturally. What would happen would be this: the flood water coming down, and having no exit, would flood the whole of the country. If you closed up London Bridge, and provided no other outlet for the water coming over Teddington Weir, the whole district would be flooded.

1954. And a partial damming up would operate in the same direction, though not to the same degree?—It did do so; it raised it at high water to the height of 5 feet 4.

1955. Then if it is so, if a partial dam would cause flooding, how do you say that the construction of the Thames Embankment does not cause flooding?—I am speaking of a dam at London Bridge.

1956. The situation as regards the river matters nothing?—It matters everything. I deny that the Thames Embankment is a dam in the sense in which you use it.

1957. It is an obstruction?—It is a partial obstruction at a certain point, but it is not so great an obstruction as many other points above and below it.

1958. Never mind that?—I do mind it, because, as affecting the general flow and régime of the river, it produces no effect, but in its own

locality it does lower the water both above and below, though to an inappreciable extent.

1959. Never mind figures for a moment; you admit this, that a dam across the river would cause flooding?—It would stop the River Thames.

1960. A dam partially across the river would cause flooding, though not to the same degree?—No, I do not say that a dam across the river would cause flooding from the tide.

1961. Keep to the one thing?—I will.

1962. Take first the tide coming down the river?—That is not so, you had put a permanent dam across London Bridge; that part of the river, as a tidal river, had ceased to exist. No tide can come down it.

1963. We will not consider it a tidal river, but deal simply with the water flowing down into the lake, flood water, or anything you like. Now I want to know if you put a solid bar across the river, would that cause flooding from land water?—If you stop the natural drainage of 3,500 square miles of country, you will very soon flood the district.

1964. Now I will take that as an answer to me distinctly; if you had a barrier half-way across the river, would you also have flooding, though not to the same extent?—No.

1965. Why not?—Because the area of the river there is much more than it is at Teddington, where that water finds its way from, and as far as the tide is concerned, having a tide coming in and also going out, you have it partially a tidal river, and you would not flood the country.

1966. The *Chairman*.] I suppose it is your opinion that it would be perfectly impossible to imagine that the narrowing of the river by the Embankment could increase the flooding from the rain-water, or from the natural flow of the river, independently of the tide?—Quite impossible, until you have diminished the area of the section of the river where you made the Embankment to such an extent as that it was approaching that at Teddington.

1967. Mr. *Pembroke Stephens*.] It is a fact, nevertheless, that London Bridge heaped up the water?—Where, and what water?

1968. The down-flow water?—It did not heap up the tidal water.

1969. For the last 10 minutes I have discarded the tides, I am simply upon the flow of water down?—But you cannot discard it.

The *Chairman*.] I do not like interrupting any learned counsel, but I do not think that any questions could induce Mr. Law to give us any different opinion than he has given us, which is very clear. I do not think any Committee can have any difficulty in understanding what he means, and it would appear to me that the mode of meeting it would be to give a contrary statement. I do not think that any questions that you can put can put the Committee in any different position in reference to the consideration of Mr. Law's evidence so far as he has given it.

Mr. *Pembroke Stephens*.] I am sure that no Committee would more clearly understand the evidence than the present Committee, but I cannot help thinking that, in Mr. Law's evidence, there is a mixture of two different trains of thought.

The *Chairman*.] You think that, by questions conducted with very great ability, you would

would perhaps get a contradictory statement from Mr. Law.

Mr. *Pembroke Stephens*.] I should like to do so.

The *Chairman*.] I do not think you will; and if you do I think we should attribute them to the cleverness of the cross-examination. I do not think it will vary the opinion the evidence has produced upon us, because it is very clear, and we see what he means.

1970. Mr. *Pembroke Stephens*.] I will not pursue it. (To the *Witness*.) Do you still retain the same opinion you expressed on a former occasion upon another point: supposing that you built your present wall six inches higher, as you propose, or anything higher, and supposing none of the water to escape out of the river, and the whole to be retained, that 30 miles pressure continuing behind the river, much or little would force the water to a higher level than it was before you raised your banks?—Your supposition is wrong, and your conclusion is wrong; the river is not higher at the time, it is probably 10 or 11 feet lower 33 miles off, and there would be no effect whatever in increasing the height of the water; it is merely repeating what I have said, that the quantity of water which will enter any estuary under tidal influence, will depend upon the capacity and configuration of that estuary throughout its whole extent, and you cannot alter any part of it without affecting the quantity of water which will come in at the entrance.

1971. Now I should like to direct your attention to your own former evidence. I find this upon the same point, if you will turn to page 80, Question 1118, "If that water did not overflow, but remained within the river, and there were means in the river of retaining it, would not the level of the river be higher?—It would, but not in the increased proportion of the quantity of water; because, instead of the water spreading over the land it would have to be heaped up against gravity; the work done would be so much greater and the effect produced smaller"?—You have left out the words at the commencement of the question, ruling the whole of it: "and a certain additional quantity of water comes up and overflows." If a certain additional quantity of water did come up, and there was not space for it to go in, it would, of course, overflow; but my statement is, that an additional quantity of water does not come up.

1972. You have that water in the river, and you have the river filled to the brim to the point to which it would overflow, and you raise your banks; what becomes of the water in that case, must not it be heaped up?—It does not enter the river, but the water having attained the height which it would have attained under the same circumstances, it does not come any higher, simply because you have raised the walls higher.

The *Chairman*.] We are only getting a repetition of previous answers.

Cross-examined by Mr. *Prior Goldney*.

1973. I understand that you have been engaged for the last two years for the Metropolitan Board of Works with reference to river matters?—I gave evidence on the former occasion.

1974. And since then you have given a great deal of attention to this matter?—I have given

my attention to the River Thames for the last forty-five years. Mr. *Law*.

1975. But during the last two years you have given great attention to these plans before us; are they the result of that attention?—No; they were formed upon the previous data; they have been prepared, not by me, but by the officers of the Board of Works. 5 May 1879.

1976. You have been constantly going up and down the river, and inspecting works?—I have gone up and down the river with those plans prepared by others in my hand, to see how far the works would be satisfactory, and answer the purpose for which they are intended.

1977. You are familiar to a certain extent with the plans?—Yes; I am familiar generally with them.

1978. Can you tell us who fixed the five-foot line?—Sir Joseph Bazalgette would be the person who ultimately determined it.

1979. But on consultation with yourself possibly?—No.

1980. With whom?—I cannot say.

1981. You do not know whether Sir Joseph Bazalgette settled it entirely of his own mere motion, or whether he consulted other engineers first?—I cannot tell you. We may have had a conversation upon it. We have agreed that that would be a safe and proper limit.

1982. You have studied the river for many years, and you consider a five-foot line is a sufficiently good one?—I do.

1983. Have you given the subject careful thought and attention?—Yes, I have.

1984. And that is your deliberate opinion?—Yes.

1985. Speaking of what is entirely conjectural, and with that limitation, for how many years should you think the five-foot line could be sufficient?—I cannot tell you.

1986. But you think for a long period?—Yes, certainly.

1987. As long a period as you are justified in contemplating for any works?—I cannot say that.

1988. Do you mean something like 20 or 30 years?—Yes, I think so.

1989. These plans that have been supplied to all the petitioners, I suppose, were laid out, and expected to last as long as the five-foot line would last?—Yes, merely requiring to be kept in repair.

1990. May I take it, that if anything should happen to require the five-foot line to be raised, even another six inches, it would be a matter of most serious importance for the whole metropolis; when you once get over the five-foot line, it becomes a very serious question indeed?—Do you mean the cost of the works?

1991. The cost of the works, and the danger to the south side of the metropolis generally?—The cost of the works would not be very great for the six inches above the five feet, and the consequences to the district would be very different to what they would have been if you had not raised the works already, because it would then only flow over the difference instead of having the whole area to go through.

1992. With your experience of the river for so many years, can you tell the Committee what are the class of circumstances which in the future would be likely to influence the rise and fall of high water and of low water in the river?—The only one now likely to operate would be the

Mr. Law. continued dredging, but that dredging has now nearly reached its limit. The Pool has been made navigable for vessels up to the docks; some small amount of dredging is necessary in the upper reaches at Richmond, and so forth, but very small in amount, and very small as regards the effect that it is likely to produce upon the tides for the future.

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1993. Then I gather that the effect of excessive dredging would be to increase the liability to floods?—It would.

1994. What other class of circumstances would diminish the liability to floods?—Anything which obstructed the flow of the tide.

1995. Such as new bridges put across the river?—If they contracted further the water way. A bridge erected so as not to materially interfere with the water way, would not produce any effect upon the tide.

1996. A suspension bridge would not, I assume?—No.

1997. Those are the class of works?—Yes, anything affecting the flow of the tide, which requires power to be expended in forcing the water through it.

1998. Supposing that it became necessary to put one or two large heavy bridges, such as Waterloo Bridge, with large stone piers across the river, it would have a tendency against floods, would not it?—Not if they were properly carried out, because in such a case the area of the river should be so arranged that the bridge did not become an impediment to the tidal flow.

1999. Can you suggest any other class of works which might have a tendency to diminish the liability to floods?—I think not.

2000. Nothing except such obstructions as bridges?—No, I think not anything which offered resistance to the tide and prevented a greater amount of water coming up.

2001. You have taken the position of the frontagers into consideration, and you think that a five-foot line is a proper and sufficient one for them to adopt?—Yes.

2002. Having satisfied yourself that for the present, and as far as you can look into the future, a five-foot line is sufficient, is there any great mystery about keeping the water out if it were necessary to raise it six inches above the five-foot line?—No.

2003. Laying a baulk on and spiking it through would be sufficient?—Yes.

2004. The lateral pressure is very small?—Yes.

2005. When you get down the next six inches it slightly increases?—It increases by $62\frac{1}{2}$ lbs. on every square foot as you descend.

2006. The upper 18 inches, I may say, any ordinary workman could do?—Yes.

2007. And these plans which you have prepared, you consider if done in that way are quite sufficient?—Quite.

2008. And as long as they are kept in repair, they could keep the floods out up to that length?—No doubt.

2009. These being such simple works, I suppose you say they would be as simple as building a house?—I do not see any comparison between them.

2010. You think building a house is a more dangerous thing?—No; there is no comparison between them.

2011. You, as an engineer, could make very simple rules as to what should be done for the

upper six inches that the baulk must be laid, and if you got below a certain distance, such and such a thing should be done?—Yes.

2012. And you have gone upon principles of that sort?—Yes.

2013. Do you see why general principles of that sort should not be embodied in an Act like the Metropolitan Board of Works Act?—Yes; there are such a variety of things that it would require a very large volume indeed.

2014. There is a greater variety of things than there is in the building of a house?—Yes; all the houses are more or less alike, except as regards design; here there are hardly two cases alike.

2015. Are you aware of the existing Metropolitan Building Act, 1855?—I know that there is such an Act.

2016. Do you know that there is a whole chapter on chimneys alone?—Yes.

2017. And fires and fire-places?—Yes.

2018. And brestsummers?—Yes.

2019. Going through the whole detail of the construction of a house?—Yes, of houses of certain classes.

2020. And beyond that, rules are made which have to be applied?—Yes, because that is for things which are to be done in the future; if the Building Act relates only to what had to be done for existing houses, plans might be prepared as they are here.

2021-2. But you consider that this Bill is not to deal with the future?—Undoubtedly to deal with the present and future both.

2023. You have read the Bill?—I have, carefully.

2024. You do not think that there could be some simple rules framed for it?—I do not see my way to that, nor see the advantage either.

2025. When the whole thing has been described in this Committee-room as so simple?—It is not only simple but exceedingly various.

2026. The variety consisting in there being an earth parapet, an earth addition to the Embankment, a stone parapet, a brick parapet, and a baulk laid along the staging made water tight, now what is there besides those individual things which you have suggested to be done in your works?—There are counterbalanced shoots and slide boards, and gates, and a variety of other things.

2027. I will give you all that in; you propose to make regulations for them?—No, we do not.

2028. But for those things which you have named, you think the Metropolitan Board of Works would not be able to frame rules analogous to those in the Building Acts?—No.

2029. That is your opinion as an engineer?—Yes; I think it would be far better to produce definite plans rather than to have any definite rules involving themselves and the owner in an enormous amount of trouble, of explanation, and discussion.

2030. What rules are the Metropolitan Board of Works, sitting as a court of appeal, to act upon?—I do not understand the question.

2031. You told us that the Metropolitan Board of Works were to be a court of appeal from the engineer; first, the engineer makes the plan in the future?—Yes.

2032. Then the owner considers himself aggrieved by it, and he has to have the right of appeal to the whole Board sitting as a court of appeal, from the decision of the engineer?—That is under the supposition that the owner and the

the engineer, having carefully considered the matter, cannot agree upon it.

2033. That is it?—Yes.

2034. Now what are the rules which you say guide the court of appeal in an appeal from their engineer?—I cannot tell you; I do not make the rules or bye-laws of the Board.

2035. Do you think that rules ought to be made, if I might say so, at haphazard?—

Mr. Cripps.] I do not want to interfere with the cross-examination, but an allegation of this kind is a distinct allegation; and if there was anything in the petition of my learned friend relating to it, we should have been bound to have given some evidence of it in the first instance; but there is not the slightest suggestion in the petition upon which he appears about general rules being laid down; therefore our attention is not called to it, and we do not meet it by examination in chief.

Mr. Prior Goldney.] I refer to Clause 5 of our Petition.

The Chairman.] It is a question testing the ability of the Metropolitan Board of Works to act as a court of appeal. I think I see the object of your question and the purport of the answer.

2036. Mr. Prior Goldney.] I will ask another question. You told us just now that where one man's premises were flooded, the Board do not propose to call upon him, but only where his neighbour is flooded by his means; that is the answer which you gave my learned friend, Mr. Bidder?—Yes.

2037. That you think is right and fair?—Decidedly.

2038. That is your deliberate opinion?—Undoubtedly. If a man does not care about his own premises being flooded, and their being flooded affects nobody else, then I see no reason why he should be interfered with.

2039. Then do you know why some provision should not be in the Bill?—That is so; no works are proposed, but you know that the present boundaries between a certain wharf and its neighbours, which to-day is sufficiently high, but in the future may not be so, then as soon as the condition becomes changed the necessity would arise for works being done by that man.

2040. You adhere to your statement that where one man's premises only are flooded, and it does not interfere with anybody else, he is entitled to have it flooded?—Undoubtedly.

2041. And you think that if there is no such provision in the Bill, there ought to be?—I do not say so; it is provided for by the works specified.

2042. It is not provided in the Bill itself?—No; I have studied it very carefully, and I say I do not think it right to put such a provision in the Bill, because, though to-day the flooding of his wharf does not affect his neighbour, in the future it may do so.

2043. The assumption is that it will not, in cases where a man's wharf is flooded, and it does not affect his neighbour?—If the assumption is false, the Bill is incomplete.

2044. Then he would come under other sections for protection?—I do not know what you refer to.

2045. You think that a man must be left at 0.89.

the mercy of the Board to avail himself of what you consider right and fair?—The Board is a representative Board. You do not talk of leaving its constituents to its mercy.

Cross-examined by Mr. Freeman.

2046. One question as to the cause of these floods. You have been asked a great deal about the effect of the Thames Embankment upon the flooding of this river. Can you tell us what cubical contents are absorbed by the Thames Embankment?—

The Chairman.] I really do not think we can go into further questions with regard to the effect of the Thames Embankment. We are in this position: we have had the examination in chief, and we have had two or three counsel cross-examining upon that very point. The mere fact that there are half a dozen or more counsel appearing for different parties hardly makes it necessary that a similar ground of cross-examination should be taken by each of them. I think we are not unreasonable in saying that after there has been full cross-examination upon this matter we must ask the learned counsel to rather confine themselves to what affects their particular clients as compared with the interest of the others.

Mr. Freeman.] In self-defence, I must say that I was not going to take the point that had been taken before by anybody, but I will leave the question of the floods.

2047. Now you have told us this, that the deepening of the river has materially benefited the wharfers on the banks?—Yes.

2048. How far up the river does the effect of that benefit extend?—Far beyond the limits of the Metropolitan Board.

2049. And far beyond the effects of this Bill?—Yes. The access to the Brentford Docks has been very greatly increased.

2050. The provisions of this Bill state that a man is to be compensated in cases where his land has been permanently injuriously affected by the works. Are you aware of that?—I am, but I may add to that, that having carefully looked at these works, I have not seen a case which appears to me to be one in which injury could arise or compensation be necessary.

2051. That anticipates very much what I was going to ask you; upwards of 600 persons have raised their walls?—Yes.

2052. Have you seen any instance in which they have been permanently injuriously affected? I have not; but the mere fact of their having done it themselves spontaneously is a sufficient answer to the fact that it has not been an injury to them.

2053. Is the property of the persons who have done these works materially different from the property where they have not yet been done?—No; the property is of a similar character, and the works of a similar nature.

2054. Is there any reason why provision should be made for compensating those persons who have yet to do their works, when with regard to those who have done their works first of all, no occasion has arisen for it?—That is a matter of policy upon which engineers can hardly speak. I, as an engineer, say that I did not see any cases where compensation is likely to arise, but

Mr. Law.

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Mr. Law. but as to the policy of the clause, I would rather not give an opinion.
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2055. As to the exercise of the power of the Metropolitan Board of Works, you have given evidence that the height to be raised is five feet above Trinity high-water mark?—Yes.

2056. And you attribute great importance to the height being kept uniform along the line of the Embankment?—I do.

2057. Can you give the Committee any reason, except maintaining the uniformity of that height, why the Metropolitan Board should interfere in it at all; in other words why the works should not be done by the district boards?—Yes, I think it is necessary that there should be one general control over the whole.

2058. Why?—To ensure the efficient use of the means provided, some authority who will see that these boards and movable works are put into their place, and also see that the works as originally carried out and as maintained, are of such a character as really to help to exclude the floods; undoubtedly a uniform direction is much better than having it under a number of different authorities, some of whom might neglect it.

2059. The district board have officers under their command whose business it is to see that the things in their different districts are properly carried out, is not that so?—That is very general. There are a variety of officers to see to the different things; they have undoubtedly persons looking after their affairs.

2060. A question has been asked you with reference to a flood occurring opposite owing to the gate being left open?—Yes.

2061. Has it occurred to you that the district board would be more likely to be on the spot to see that a thing is properly done, than a distant authority having only a central control?—No, you cannot call the Metropolitan Board of Works a distant authority, they have an active control through the whole district. And where they have duties to perform they have officers to see that the duties are properly performed.

2062. With regard to the five-foot line, has that been taken from the front section of the river?—I do not understand your question. Occasionally the works are not in the front of the river but behind; sometimes the works are lateral between two wharfingers, they are not confined to the side of the river.

2063. What point have you taken from which you have measured the present height of the works so as to estimate it?—Wherever the new works are proposed to be put.

2064. You do not follow me. You say they are to be raised to five feet high. When you say they have fallen below the five feet, from what point have you taken it?—From Trinity datum.

2065. Have you taken it from the side of the river or the highest parts of the works anywhere?—Whenever we find that there is a place which, being lower than five feet, would allow the water to flow on to properties behind or adjoining, there we have ordered or intend to order works to be done to raise it to five feet, and prevent the water so flowing on to the property.

2066. Then if upon consideration of your plans you found that in cases where you have said the present height is less than five feet, it turned out that, though it is less upon the side next the river, it is more than five feet a little bit inland, which is yet near enough to prevent

the overflow of the river, that would satisfy you?—It would satisfy us; and no works have been proposed that would satisfy us under such circumstances.

Cross-examined by *Mr. Richards.*

2067. I will not ask you as to your plan and diagram of 1877 more than I can help; but you have worked out here the amount of wages spent by the Thames Conservancy since 1857?—That is so.

2068. I understand your theory is, that the dredging of the river has assisted the tidal wave up the river, and so indirectly contributed to floods, in spite of the fact that for 13 years previous, as was pointed out by the Chairman, to 1857, that is as far back as 1844, there were four cases in which the tide rose above the three-foot level above Trinity high-water mark, and that for the following 13 years there were only two, that is in 1867 and 1868?—My answer to that is this, it is, in fact, a repetition of what I have said three or four times, you cannot draw any general conclusion from extraordinary tides which have been occasioned by accidental circumstances; if you want to see what really has been the effect of operations on the river, you must take an average for the whole year, and these averages show a progressive increase in the height of high water.

Mr. Cripps.] Mr. Rickards appears for the Conservators of the Thames, who say we are going to interfere with the navigation of the river.

Mr. Richards.] The witness has attributed many high tides to the fact that we have dredged very largely since we came into existence in 1837.

Mr. Cripps.] We do not charge you anything for that.

Mr. Richards.] We must clear our character.

The Witness.] If it is any consolation, I may say you have done more than adequate benefit to the navigation.

2069. Before the dredging took place, is it the fact that barges and vessels frequently ran aground and remained there?—Undoubtedly.

2070. Did not that cause an obstruction to the tide?—Yes; so far as a barge was concerned, until it floated it would.

2071. I will not ask you any question about the effect of the decrease in the sectional area by the making of this Embankment in 1870, because we have had it over and over again; but I will ask you this, you told me that the effect of taking away shoals is to remove a rising gradient in front of the advancing tide?—Yes.

2072. And therefore to increase the velocity of the tide as it comes up the river?—I did not quite put it in that way; it is to allow it to rise higher.

2073. Is it not the fact that the taking away the shoals is to remove an obstruction?—Yes.

2074. And is not the effect of taking away the obstruction to allow the tide to come in more quickly?—Yes.

2075. What kind of foreshore existed before this Embankment was placed there?—

The Chairman.] I think your question must bear upon any effect that this Bill will have

have upon your position. We are not put here to find out whether the Thames Conservancy, as such, has not, in past times, done its duty well. The only question which we have to decide is whether this Bill will injure anybody or not.

Mr. Richards.] Then I will go upon the question of our inquiry.

2076. In answer to a question in examination-in-chief, you said you in no case proposed to touch the soil of the river?—That is so.

2077. Then I will ask you upon that, what is the use of putting in Clauses 14 and 15 of the Bill?—Clause 14 is, "For the purpose of executing any works under the authority of this Act, the Board, the Commissioners of Sewers of the City of London, the vestry of any parish, the board of works for any district, and any owner of premises liable to execute flood works through, along, over, or under the bed and soil, and banks and shores of the River Thames." If you do not propose to touch the bed or banks, or soil or shores of the River Thames, what is the use of inserting a clause like that?—Because works might become necessary which would interfere with them.

2078. Then, in fact, your present plans do not comprise by any means all that may be necessary to do hereafter?—Not in the remote future.

2079. And in the event of it becoming necessary for you to interfere with the bed or soil or shores or banks, you must have power to do so?—Yes, and then we have to get your sanction.

2080. Under Clause 15?—Yes.

2081. Clause 15 is, "In order to preserve the navigation of the River Thames the plan of any flood works to be constructed under the authority of this Act through, along, over, or under the bed or soil or banks or shores of the River Thames which may interfere with the free navigation of the said river, shall be approved by the Conservators of the River Thames in writing, signed by their secretary before such works are commenced, certifying that the works according to such plan will not interfere with the navigation of the River Thames, and thereupon such works shall only be executed in accordance with such plan, and no alteration shall thereafter be made in such plan except with the approval of the said Conservators, signed as aforesaid." It begins with the words: "In order to preserve the navigation of the River Thames"?—We could not put anything upon the bed or soil of the River Thames which would not affect the navigation; it might be in a small degree, but it must affect the navigation, and we must get your sanction first.

2082. Then, in that case, have you any objection to strike out the words, "In order to preserve the navigation"?—I cannot say what might be done with the Bill.

2083. You told us that you imagined, in case of your requiring the owners to do the flood works, you would serve them with notice, and also supply them with plans of what you propose to do?—Yes.

2084. You must be aware that we are the owners of the bed and shores. You do not propose that unless works are, in your opinion, calculated to interfere with the navigation of the River Thames, to submit those plans to us?—No, of course not; you are the same as other owners; if we affect you, we give you a plan; if we do not affect you, we do not give you a plan.

0.89.

2085. You have told me already that it may be necessary to effect works on the bed or shore?—If necessary.

2086. And you will give us plans?—Only when they affect your property.

2087. Then those words are done with?—No, I think they are your safeguard.

2088. Why do you wish to put us on an inferior footing to private owners; where you touch private owners you give them notice, and supply them with plans?—You are on the same footing if we touch the soil or bed of the river; we give you a plan of what we propose to do; we must get your sanction first.

2089. You are only going to give us notice, and are only going to submit plans to us where you think your works are calculated to interfere with the navigation of the River Thames?—No, wherever we touch the bed or soil of the river; surely if we do not touch the soil or the bed of the river it does not affect the navigation.

The Chairman.] This is pre-eminently a question for the Committee upon Clause.

Re-examined by Mr. Cripps.

2090. You have been engaged in a great number of works in reference to rivers, and in a great number of works of different kinds as an engineer?—My life has been spent in hydraulic engineering.

2091. With regard to the suggestion which has been made here, that a number of rules should be laid down as to how particular things should be done, such as appear in the Metropolitan Building Acts, would not you as an engineer regard it as a very great hindrance and interference with the engineer's duties, of what he might think proper to be done, in such a variety of cases as occur here?—I do not think that rules could be prepared; it would be just as much trouble as executing the works; every case will want a separate rule for itself almost.

2092. You know the Main Drainage Act of the metropolis, and what was provided there?—Yes, the Act of 1858.

2093. Where the work was to be commenced and carried on and completed with all convenient speed by the Metropolitan Board of Works, and "according to such plan as they may deem proper and necessary, sewers and works for the improvement of the main drainage of the metropolis, and for preventing, as far as may be practicable, sewage from the metropolis passing into the River Thames through the metropolis." There is the object pointed out, and they are to perform it according to such plan as they may deem proper?—Yes.

2094. And, here the object being to protect from floods, do you think it desirable that the works should be left to the discretion of the engineer, in so far as he may deem necessary for effecting that particular object?—That involved an expenditure of millions, and it was done to the general satisfaction of the metropolis.

2095. And it was done under that general power, without any general rules such as have been suggested here?—Yes; in fact, I think there was a withdrawal of the reference it had been proposed to refer to the Commissioners of Works, and it was altered.

2096. Somebody must be responsible ultimately, whoever it is referred to?—I cannot conceive any authority better able to deal with the question; they have a large staff of engineers, and

Mr. Law.
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Mr. Law. and already a very large connection with the river; they have made large embankments, and have all the machinery for carrying out the works effectually and cheaply.

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2097. To whatsoever body or person this was referred, if it were referred at all, it must be referred to some other engineer, who alone could understand the matter, must it not?—Yes, some other body who had a staff of engineers, or an engineer.

2098-9. That would be to make that body responsible instead of the Metropolitan Board of Works, would it not?—Yes.

2100. My learned friend, Mr. Bidder, drew your attention specially to the immense amount of space that had been abstracted from the river between the bridges by the Embankment?—He did.

2101. What is the difference which has been made in the sectional area altogether, taking it that the river has been deepened, and that overflow taken away in the tidal capacity?—It is a matter which varies, of course, with the height of the tide, but taking the great tide of the 2nd January 1877, the quantity of water which would have entered the Thames if those Embankments had not been there, would have been 909,000 tons, and the suggestion of the learned Counsel was as put to Sir Joseph Bazalgette himself, that a layer of water six miles long and one foot high would be heaped up at the top of high water. Now I have prepared this other diagram, which shows the mean level of the sea at high water at Sheerness on the 2nd January 1877 (*producing a Diagram*). That black circle represents the position of the centre of gravity of the space which has been abstracted by the Thames Embankment. That is, in point of fact, the point to which the work would be the same if all the water was conveyed to that point. This blue line represents the height of high water on that day, it being four feet higher at London Bridge than it was at Sheerness. If, therefore, the water, instead of being put there had been put in place of the centre of gravity, and the Thames Embankment had to be raised up to the centre of gravity of this layer of water a foot thick, it would have by some means or other to be lifted through the space of eight feet six inches, which means that the tide must have done on that day an amount of work which we, as engineers, estimate at seven and a-half million foot tons. It is one thing for water to run down from Sheerness into the Embankment, and another to be carried up and placed upon the height of the tide, already four feet above Trinity high water, and the work that can do one cannot do another.

2102. My learned friend, Mr. Bidder, put to you that that amount of water which is got rid of by the Embankment being put in its place, would, if put into the bed of the river, occupy a foot in height for six miles?—If it were put on the top of the surface of the river.

2103. Supposing that it were put upon the top of the river, would not it act as a check to prevent the tide coming up, because it would come up to a higher point?—Yes; but according to that suggestion I should like to know how you are going to lift the water eight feet six inches.

2104. **Mr. Alexander Brown.**] As to the tides that you refer to in your Table, they are Admiralty tides, are they not?—The predicted tides

are what are referred to there, the tides in the Admiralty Tide Tables, issued authoritatively.

2105. **Sir Baldwyn Leighton.**] As to the dredging you spoke of, and also the removal of the bridges, in page 71 of your evidence of 1877, you said the wharves would be increased to double the value. I suppose you adhere to that opinion?—I do, and I think it was putting it very mildly.

2106. You think that it would be rather more than less?—I think so. If you compare the value of the wharves before the removal of London Bridge with now, I think that that is a very low estimate.

2107. There would be an improvement of the navigation, and improvement for embarkation, and also the sanitary improvement of the Embankment?—Yes. And the construction of those Embankments by having absorbed a large number of wharves, which had existed before that time, enhanced the value of those that remain.

2108. With regard to that pink colour in your diagram that you showed us to-day, do I understand that the pink represents the dredging that has been accomplished since 1877?—It does not quite do that. Unfortunately the Conservators of the river have not kept their accounts of the last two years quite in the same form that they did before they kept accounts of the wages expended, as a separate item.

2109. Does it about represent it; it is meant to represent it, is it not?—Yes; but in the year when it was so high, a large sum was expended in some steam hoppers, and probably some portion of that is represented by the steam hoppers. I could not take out exclusively the wages.

2110. The dredging took place after the big flood, and not before, did it not?—Yes, but you see that there was a large amount of dredging previously. You cannot, however, draw conclusions from one flood; it is only when you take a series of years, and see the continued increase, that you can draw general conclusions and look to the cause.

2111. As regards the removal of the bridge. I understood you to say that it was rather the removal of the shoals upon which the bridge was built than the removal of the bridge itself that made the difference?—And the shoals which existed between the bridges. If you turn to Section 3 of the previous report, you see by what look like shaded hills the shoals or shallow places in the river above London Bridge which were removed after the bridges themselves had been improved.

2112. I think you said that between 1823 and 1845 the reduction of 14 inches was owing to what you called natural causes; that would be the river working its own bed?—To a great extent; the dredging up to that time was only carried on for the purpose of getting ballast.

2113. Did the removal of the bridges make the river scour more?—Yes, very materially.

2114. Then it improved its own bed, did it not?—Yes.

2115. And what was done after 1845?—And what was done after 1845 was nature, assisted by artificial dredging.

2116. And it had the result only of raising the tide about 7½ inches?—7½ inches.

2117. And that was due to what you call natural scouring?—Yes; the removal of the shoals below London Bridge having a very large effect.

2118. You

2118. You cannot say, I suppose, whether any further dredging is proposed or required?—Certain dredging is now being done in the upper reaches of the river.

2119. To any great extent?—It will not affect the tide to any great extent, and the dredging below is almost finished; it is more equalising now than removing any absolute barrier.

2120. Sir *Charles Dilke*.] You have spoken of the advantage to the riverside proprietors by the removal of shoals and the deepening of the river; that does not extend, does it, to all the riverside proprietors who are affected by this proposed Bill?—I think it does.

2121. Take the Wandsworth Local Board; you can hardly say that they derive great advantage from the deepening of the river, can you?—If they have waterside properties undoubtedly they do; if they have not waterside properties they will have no onus put upon them by this Bill.

2122. The removal of the shoals has been chiefly to allow big ships to come up into the docks, has it not?—No, not above bridge; that is for the navigation of barges and boats upon the upper river itself.

2123. Then you think that even such a body as the Wandsworth Local Board or the Fulham Local Board will derive an advantage from this?—Clearly, if they are owners of riverside property they will derive benefit, and if they are not owners of riverside property they are not affected by the Bill.

2124. There are owners of riverside property up there, are there not, who have no wharves; who do not use the riverside property for the purpose of trade at all?—I do not think that they have wharves; but those who have the Saltings outside have the advantage of growing osiers, and they can at any time convert the property into wharves; a great deal up at Hammersmith has been converted into wharves, that has exhausted the value of their property very greatly indeed.

Sir *Charles Dilke* (to Mr. *Cripps*).] May I ask you whether you are likely to give a return of the amount of money contributed by the Metropolitan Board? Mr. *Law*.
5 May 1879.

Mr. *Cripps*.] It has been got out, and we are having copies made of it.

Sir *Charles Dilke*.] There was also a return mentioned by Sir Joseph Bazalgette as to the works contemplated by them with reference to storm water.

Mr. *Cripps*.] We have not promised that.

Mr. *Bidder*.] As to the New Tower Bridge Bill, which is in Parliament this Session, can the amount of the estimate for that be given?

Mr. *Cripps*.] The estimate of that, like all other works for this Session, is a deposited estimate.

The *Chairman*.] We cannot demand that, I am afraid; it is outside these works.

Mr. *Cripps*.] It is work that the Metropolitan Board are applying for powers to execute by a Bill now before the House; and in that state of things there must be an estimate for the work. The estimate is deposited with the other documents, and it is open to my learned friend to obtain the estimate.

Mr. *Bidder*.] I will ask what the amount of that estimate is?

Mr. *Cripps*.] My learned friend, Mr. *Bidder*, can get it.

Mr. *Freeman*.] As to the estimate called for by Sir Charles Dilke, we should like to be allowed to hand in an account, showing that any sums contributed by the Metropolitan Board of Works have been purely for metropolitan improvements.

The Witnesses withdrew.

[Adjourned to Wednesday next, at Twelve o'clock.]

Wednesday, 7th May 1879.

MEMBERS PRESENT :

Mr. Birley.
Mr. Maurice Brooks.
Mr. Alexander Brown.
Mr. Chamberlain.
Sir Charles Dilke.
Mr. Wilbraham Egerton.

Viscount Emlyn.
Mr. W. E. Forster.
Mr. Goldney.
Sir Trevor Lawrence.
Sir Baldwyn Leighton.
Sir James McGarel-Hogg.

THE RIGHT HONOURABLE W. E. FORSTER, IN THE CHAIR.

7 May 1879.

The Chairman.] I DO not know whether any of the Counsel can give an answer to the question I put before them on Tuesday?

Mr. Balfour Brown.] With reference to calling engineering evidence, so far as I am personally concerned for two petitioners, the Wharfingers below London Bridge, and Ward's Wharf above London Bridge, I do not propose upon either of those cases to call any engineering evidence; and I believe my learned friends for the other opponents do not propose to call any engineering evidence.

Mr. Aldis Wright.] The City of London do not propose to call any engineering evidence.

Mr. Locke.] The Fulham Board will call no engineering evidence.

Mr. Freeman.] The Limehouse Board of Works will call no engineering evidence.

The Chairman.] I understand that the Promoters will call no more engineering evidence.

Mr. Philbrick.] No.

Sir JOSEPH WILLIAM BAZALGETTE, C.B., re-called; further Examined by Mr. Philbrick.

Sir J. W.
Bazalgette,
C.B.

Mr. Philbrick.] I UNDERSTAND that the Committee ask for a return of the amount of monies to be paid or agreed to be contributed by the Board for improvements in the metropolis, from the 1st January 1856 to the 31st December last; that return has been compiled. I do not know whether the Committee would wish it to be put *in extenso* upon the notes.

The Chairman.] I think we had better have them upon the notes. (*The Return was handed in, see Papers A.*)

2125. *Mr. Philbrick.*] Sir Joseph Bazalgette has got a Return, which I think you inquired for; that is, a Return of the various sums raised by the Board under their general powers, and under their Acts of Parliament, for all the different parishes and districts within their jurisdiction, from the time of their formation till the end of last year. (*To the Witness.*) That is the document which you have now in your hand, is it not?—Yes, it appears to be so. (*The Return was handed in, see Papers B.*)

2126. *Mr. Philbrick.*] I believe you wish to explain the answer to a question put to you by the Right Honourable Chairman at No. 658, at page 78 of notes of the 1st May?—I do. The question was put to me: "Supposing the Fulham District Board carried out the works you wished them to do, about what would be the cost?" and I answered, "10,000*l.*" Then Sir Baldwyn Leighton asked, "Does that 10,000*l.* represent any portion of the 55,000*l.*?" and I said, "A portion

of the 55,000*l.* And it might be done for less by the owners. (*Sir Charles Dilke.*) What is the cost for the Wandsworth district?—£. 9,300. The two together would be more than 20,000*l.*?—Yes, that is if the works are done at the public cost." I meant to say that is the amount of work to be done in those two districts altogether, by private persons as well as by the public. Now the Wandsworth District Board would have to construct works only to the amount of 2,966*l.*, and the Fulham District Board to the amount of 2,401*l.*, together making 5,367*l.*; that is upon the supposition that the Upper Mall, the Middle Mall, and an embankment with a public footway over it, were to be done by the public; but supposing that last is a private obligation, then the amount to be done by the public will be reduced to 4,298*l.*

2127. *The Chairman.*] Being how much for Fulham and how much for Wandsworth?—Being 2,816*l.* for Wandsworth and 1,482*l.* for Fulham. Then I was requested to put in a statement of the amount of work done and remaining to be done. I find that the total length on both sides of the River Thames is 42 miles; Deptford Creek gives an additional 1½ miles; the River Wandle an addition of half a mile; the River Lea an addition of 2¼ miles, altogether making 46½ miles. Of that 46½ miles, 19¼ miles remain to be done, and 27¼ miles have been done, so that three-fifths, in point of length as well as in point of number, is done, and two-fifths remains to be done.

2128. Of

2128. Of that which is done, is there a fair proportion of what would be called the heavier works?—There is, certainly, I should say, a full proportion. Then I think there was another question which I was to answer, that was, what was the amount of work executed between the time of my estimate of 1877 and my estimate of 1879; and it appears to be about 3½ miles altogether, on both sides of the river, done between those dates.

2129. That 3½ miles included some works of importance and urgent necessity, did it not?—Not the most important works, they are all works of necessity, but the most important had been done before.

Cross-examined by Mr. Freeman.

2130. I should like to ask a question upon the Return that you have handed in. On that Return, it appears that various sums have been contributed by the Metropolitan Board of Works to the Limehouse district; have all those sums been contributed for improvements of a purely metropolitan nature, namely, the widening of through thoroughfares?—I can hardly answer that question, but I should assume not. I should assume that they were hardly of a metropolitan nature, though they were important.

2131. Have you upon that Table any means of telling whether they have or not?—No, I have not.

Cross-examined by Mr. Collins.

2132. I think you told the Committee just now that you had lessened the costs of repairing the public roads at Fulham?—I did not say so.

2133. What is the cost of repairing the public roads for which the Fulham Board would be liable?—What public roads do you allude to?

2134. I referred in my question to Chiswick and the Lower Mall; what would the charge be upon the Fulham Board of Works for it?—I do not say whether the charge would be upon the Fulham Board of Works or not; but the monies that have been expended on the Chiswick Mall, would be 500 l., and upon the Lower Mall, 625 l.

Cross-examined by Mr. Bidder.

2135. I have only just seen this Return, but I gather that none of the greater works, such as embankments, are given here, they are not treated as local improvements?—No.

2136. Can you give in a succinct form, the aggregate cost of the Embankment works?—Yes. Do you confine your question to the works alone, or to the works and compensations and the whole cost?

2137. Everything inclusive. Just give me one figure to sum them all up for the Albert, Victoria, and Chelsea Embankments?—£. 2,586,619 l.

2138. Two-and-a-half millions, I may say?—Yes.

2139. Upon that I will ask another question, the Board had it in contemplation to make another Embankment in 1877, between the place where we now are and the Chelsea Embankment?—No.

2140. You had it in contemplation in 1877, had you not?—No.

2141. An embankment between here and Chelsea?—

Mr. Philbrick.] It was struck out of the Bill.
0.89.

2142. Mr. Bidder.] You have a Bill in Parliament this year for what is called the Tower Bridge?—Yes.

2143. That is at the Tower, across the Thames?—Yes.

2144. What is the estimate for that?—£. 1,400,000.

Re-examined by Mr. Philbrick.

2145. It was suggested to you, evidently by these questions, that the Board might order an embankment; there is no power in the Bill for that?—No.

2146. If the Board had to make an embankment under the powers of this Bill, it would have to obtain the sanction of the House in a money Bill for an estimate for raising the money for that purpose?—Yes.

2147. And the assent of the Government to bring in the Bill, according to the practice which now prevails?—Yes.

2148. Sir Baldwin Leighton.] The figures that you gave were 2,966 l. for Wandsworth, and 2,401 l. for Fulham. As regards Wandsworth I want to be clear about this. That includes, does it not, that embankment or wall, round what you may call the basin of the Wandle?—It does.

2149. But it does not include that waterside place?—No.

2150. Starting from that navigable branch of the Wandle, and going all round the osier beds, that would be thrown, by your proposal, on the district, would it not, and that is included in these figures?—No, only the tide flags, and the bank connected with it would be thrown upon the district; of that expenditure 673 l. is put down for the district, that is the tide flags.

2151. And the rest?—The rest would go upon the owners; each doing his own portion.

2152. I am speaking now only of the Wandle?—The basin of the Wandle is composed of the different works, putting up bits of camp shedding, raising the banks, and so on, that will be done by the owners.

2153. Only the tidal flaps would fall upon the district?—Yes, 673 l.

2154. Where do you get the other 2,300 l.?—That is lower down, I suppose?—"Waterside" is in this.

2155. I thought you said it was not?—I said it was not, but I see it is 1,800 l. for Waterside; that is the principal work.

2156. Do you throw that upon the district?—That is debited to the district on account of there being a road in front of it. Whether it would fall upon the district or not, I cannot say.

2157. Then the Waterside and the basin of the Wandle are the two principal works that make up this figure?—They are.

2158. What are the principal works as regards Fulham?—The Malls are the principal works.

2159. That is the termination of the district where we began to inspect yesterday. You do not propose to throw anything there upon the owners, but all upon the district?—All upon the district.

2160. Will where the boat-houses are, be thrown upon the district?—No; where the district begins is where we raise the road.

2161. That is all thrown upon the district?—Yes.

2162. And that is included in your estimate?—Yes.

N 3

2163. I suppose

Sir J. W.
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Bazalgette,
C.B.
—
7 May 1879.

2163. I suppose you cannot give any exact opinion as to the value of the property that is affected from the Wandle basin; that is the other side of the wall if you put it up; you cannot give an approximate idea of what the area or the value of the property affected is?—No, I cannot do that; but I can state there is a good deal of property of considerable value there.

2164. There are two or three acres covered with houses, are there not?—Much more than that.

2165. Five or ten acres covered with houses?—I should say 50 or 60 acres covered with houses pretty closely.

2166. Would you say, speaking roughly, whether the assessment of 50 or 60 acres of that land would be worth 1,000 *l.* a year or more?—No, I am afraid I could not. I should think it would be considerably more.

2167. An acre of houses would be more than 1,000 *l.* a year?—Yes.

2168. Are you certain that there are 50 or 60 acres covered with houses?—(*The Witness produced a plan, and explained the same to the Committee.*)

2169. Mr. Maurice Brooks.] Is it sought under this Bill to acquire any of the river-side or water-side property that will be affected or improved by the temporary embankment, such as at the Wandle River and the Wandle basin. Suppose it be enacted that the district board shall leave the responsibility and charge of protecting that water-side property from the floods; what then?—It is not proposed to acquire any land from the river, under these works.

The Chairman.] Supposing the result of this inquiry was that the Bill fastened upon the Board the cost, as proposed, of making the works; supposing that the Board thought that by making a wall round the Wandle they could acquire land to compensate them; does the Bill give them power to do so; probably that is a legal question that you can hardly answer.

Mr. Philbrick.] If it is not inconvenient or irregular, I may say that we only propose to acquire land where it is absolutely necessary to put the works that we must do, but not to acquire any land that we can deal with, or hold as land in any shape.

2170. Mr. Maurice Brooks.] You are not only an engineer, but an expert in matters of this sort, and I want you to say whether the water-side property at Wandsworth will not be greatly improved by the expenditure of public or private money upon the embankment?—I think that it will be greatly improved; all the property will be greatly improved by being raised out of the position of being flooded.

2171. And that particular private property will be largely increased in value?—I think all property is that is reclaimed.

2172. Sir Trevor Lawrence.] With regard to the Limehouse district, you said a portion of the works to which contribution had been made, were not metropolitan improvements, does that apply to other districts also?—Yes, I think so.

2173. So that spread over this return of several pages, there are numerous works which, in your opinion, are not of the nature of metropolitan improvements?—That is to say, they are partially local and partially metropolitan; the principle

upon which the Board has gone has been themselves to construct those works which are clearly large metropolitan works; to contribute towards those works which are partially local and partially metropolitan; and for the district board to carry out those which are local strictly; they have been divided into three classes.

2174. Are you aware that upon several occasions within the last few years the low ground about Wandsworth and Battersea, and in that direction, has been flooded by sewer water headed back in the sewers coming up through the gullies and drains?—It has been.

2175. Are you proposing any works dealing with that, independent of this question?—Yes, we are constructing works for the purpose at the present time; we are erecting pumping engines.

2176. And will they shortly be completed?—Yes.

2177. What will be the effect, in your opinion, upon those sewage inundations. Of these river works, which will shut out the floods?—It must clearly give them some relief, because if a high tide occurs which overflows the banks, and pours the river water into the sewers at the same time as the heavy flood enters from rainfall, that must add very seriously to the evil, and if we can shut out the river water from passing into the sewers, we shall afford relief to a considerable extent.

2178. The Chairman.] Will those works of which you speak be made at the cost of the Metropolitan Board of Works?—The pumping engines and sewers are made at the cost of the Metropolitan Board of Works.

2179. Sir Trevor Lawrence.] Is it the case that that these sewage inundations have been generally coincident with the river floods?—They were so in 1877.

2180. But not so invariably?—No.

2181. Are you now constructing works by which the storm flood water should be allowed a freer escape?—We are.

2182. The Chairman.] But those are works that are fastened upon you by the Act of Parliament, are they not?—They are; they are part of the main drainage.

[The Witness withdrew.]

The Chairman.] Do the Promoters intend to call any further evidence?

Mr. Philbrick.] No, Sir, that will be the case for the Bill. Before my learned friends address the Committee, I wish to say that I am a little astonished at a communication that I received from my learned friend Mr. Bidder. He said that we were not to assume that he would not call engineering evidence. Now, on the faith of what was stated by my learned friend's junior, Mr. Balfour Browne, I sent away Mr. Bramwell. I hope we quite understand that there is going to be no engineering evidence called.

The Chairman.] I hardly think Mr. Bidder could have been present on Monday.

Mr. Philbrick.] I think not. I hope the Committee will take care that no injustice is done, because we have acted on the faith of what was said this morning.

The Chairman.] The Committee are of one mind on that matter; and we all understand that the Promoters have refrained from calling further engineering evidence

as

as they otherwise would have done upon the understanding that no engineering evidence was to be called on the part of the opponents.

Mr. *Freeman* was heard to address the Committee on behalf of the Limehouse Board of Works, in opposition to the Bill, and proposed to call evidence.

Mr. *Bidder* objected to evidence being called at this stage of the inquiry, on the ground that it was clear that the clients for whom Mr. *Freeman* appeared did not oppose the preamble of the Bill, and that the effect of calling evidence at the present moment would be to give the counsel for the Promoters an unlimited right of reply upon the case of the whole of the opponents to the preamble, even though they should not call evidence.

[The Committee retired to consult, and upon their return—]

The *Chairman*.] With regard to the objection which has been made by Mr. *Bidder*, the Committee have considered it, and we are of opinion that both the points which are urged by the learned counsel for the Limehouse Board might be brought up upon a clause. The preamble of this Bill might be passed, and it would be within the power of the Committee to return the Bill, if they

chose to do so, to the position of the Bill of 1877. Everybody will understand that I am not in the slightest degree giving any opinion as to whether we shall pass the preamble or what we should do with the clauses; but it would be in the power of the Committee to return the Bill to the position of the Bill of 1877; therefore, we had come to the conclusion that it is better that the evidence, which the learned counsel for Limehouse thought of producing, should be brought forward upon the clauses. At the same time we wish to state this, that if any of the other opponents of the Bill bring forward evidence at the present stage, we reserve for the counsel of Limehouse the right of asking to do the same; and we reserve to ourselves the right of deciding upon that point.

Mr. *Bidder* was heard to address the Committee on behalf of the St. Saviour's District Board, and for Messrs. Williams, Brown, and Elmslie, and others, in opposition to the Bill.

Sir *Edmund Beckett* was heard to address the Committee on behalf of the Corporation of the City of London and the Commissioners of Sewers against the Bill.

Mr. *Richards* was heard to address the Committee on behalf of the Conservators of the River Thames against the Bill.

Sir J. W.
Bazalgette,
C.B.

7 May 1879.

LIST OF APPENDIX.

PAPER handed in by Sir Joseph Bazalgette :	PAGE.
(A.)—Metropolitan Board of Works.—Return showing the Amount of Monies Paid, or agreed to be Contributed, by the Board towards the Cost of Local Improvements in the Metropolis, from the 1st January 1856 to the 31st December 1878 - -	105.
(B.)—Metropolitan Board of Works.—Return to an Order of the Board of the 29th November last, on the Motion of Mr. Deputy Henry Lowman Taylor, showing the several Sums raised by the Board from the City of London, and the several Parishes, Districts, and Parts, during the Years 1856 to 1872, both inclusive; the Amounts agreed to be Contributed by the Board towards the Cost of Local Improvements during the same Period, and the Rateable Annual Value of Property in the Metropolis, with the addition of the Amounts raised by Precept in 1873, and the Rateable Annual Value for that Year - - - - -	117

A P P E N D I X.

PAPER handed in by Sir *Joseph Bazalgette.*

(A.)

METROPOLITAN BOARD OF WORKS.

RETURN showing the Amount of MONIES Paid, or agreed to be Contributed, by the BOARD towards the COST of LOCAL IMPROVEMENTS in the METROPOLIS, from the 1st January 1856 to the 31st December 1878.

Dates when Contributions were agreed to.		PARISH OR DISTRICT, AND LOCALITY.	Estimated Cost of Improvement.	Amount of Contribution by the Board.	REMARKS.
			£. s. d.	£. s. d.	
1.—CITY OF LONDON:					
23 Oct.	1857	87 and 88, Aldgate - - - - -	3,000 - -	1,000 - -	Completed.
12 Feb.	1858	81, Aldgate, and 1 and 1A, Minorities - - -	3,450 - -	1,150 - -	- ditto.
12 "	"	187 and 188, Fleet-street - - - - -	4,000 - -	1,333 6 8	- ditto.
26 "	"	91, 92, 101, 102, and 103, Newgate-street - -	3,580 - -	1,193 6 8	- ditto.
30 April	"	2, 3, and 4, Minorities - - - - -	1,380 - -	460 - -	- ditto.
9 July	"	91, Lower Thames-street - - - - -	500 - -	166 13 4	- ditto.
21 Jan.	1859	78 to 82, Newgate-street - - - - -	3,232 10 -	1,077 10 -	- ditto.
12 Aug.	"	14, Fetter-lane - - - - -	150 - -	50 - -	- ditto.
12 "	"	3, Budge-row - - - - -	300 - -	100 - -	- ditto.
12 "	"	Rutland Wharf and Upper Thames-street - -	150 - -	50 - -	- ditto.
12 "	"	145-7, Leadenhall-street - - - - -	400 - -	133 6 8	- ditto.
4 Nov.	"	3, Little Knight Rider-street - - - - -	50 - -	16 13 4	- ditto.
4 "	"	Sise-lane and Budge-row - - - - -	50 - -	16 13 4	- ditto.
4 "	"	Bread-street and Old Fish-street - - - - -	150 - -	50 - -	- ditto.
18 May	1860	Lawrence-lane and Cheapside - - - - -	100 - -	33 6 8	- ditto.
18 "	"	36, Primrose-street - - - - -	20 - -	6 13 4	Written off. See Finance Committee, 2nd May 1871. No. 29.
18 "	"	Queen-street and Maiden-lane - - - - -	50 - -	16 13 4	
18 "	"	215, Upper Thames-street - - - - -	2,500 - -	833 6 8	- ditto.
30 Nov.	"	25 and 26, Aldgate - - - - -	20 - -	6 13 4	- ditto.
30 "	"	27, Aldgate - - - - -	105 - -	35 - -	- ditto.
30 "	"	159, Bishopsgate-street-without - - - - -	21 - -	7 - -	- ditto.
30 "	"	20 to 25, Little Trinity-lane - - - - -	350 - -	116 13 4	- ditto.
15 Mar.	1861	39, Lothbury - - - - -	1,500 - -	500 - -	- ditto.
31 May	"	Basinghall-street - - - - -	900 - -	300 - -	- ditto.
3 Jan.	1862	60, Great Tower-street - - - - -	1,668 1 4	556 - -	- ditto.
17 "	"	70 and 71, Watling-street - - - - -	6,608 3 9	1,000 - -	- ditto.
17 "	"	76 and 77, Newgate-street - - - - -	4,424 13 8	1,474 17 10	- ditto.
17 "	"	189, Fleet-street - - - - -	789 9 4	200 - -	- ditto.
14 Mar.	"	39, Throgmorton-street - - - - -	916 - -	305 6 8	- ditto.
23 May	"	8, 9, and 10, Old Broad-street - - - - -	795 - -	265 - -	- ditto.
23 "	"	Threadneedle-street - - - - -	210 - -	70 - -	- ditto.
28 Nov.	"	King's Head-court, Shoe-lane - - - - -	150 - -	50 - -	- ditto.
28 "	"	100 to 104, Fenchurch-street - - - - -	6,100 - -	2,033 6 8	- ditto.
28 "	"	Great Tower-street - - - - -	10,134 - -	3,378 - -	- ditto.

MONIES Paid, or agreed to be Contributed, by the Board to Cost of Local Improvements in the Metropolis, &c.—*continued.*

Dates when Contributions were agreed to.		PARISH OR DISTRICT, AND LOCALITY.	Estimated Cost of Improvement.			Amount of Contribution by the Board.			REMARKS.
			£.	s.	d.	£.	s.	d.	
1.—CITY OF LONDON— <i>continued.</i>									
17 April	1863	148 to 151, Upper Thames-street - - - -	625	-	-	208	6	8	Completed.
17 "	"	5, Upper Thames-street - - - -	294	5	-	98	1	8	- ditto.
30 Oct.	"	St. Mary Axe - - - -	100	-	-	33	6	8	- ditto.
30 "	"	Mansion House-street - - - -	5,200	-	-	2,600	-	-	Written off. See Finance Committee, 2nd May 1871. No. 79.
18 Mar.	1864	67 to 70, Newgate-street - - - -	6,117	-	-	2,500	-	-	
18 "	"	60, Gracechurch-street - - - -	1,190	-	-	396	13	4	Completed.
22 July	"	73, Newgate-street - - - -	3,400	-	-	1,136	6	8	- ditto.
28 Oct.	"	28, St. Mary-at-Hill - - - -	1,000	-	-	333	6	8	- ditto.
20 Jan.	1865	71-2, Newgate-street - - - -	6,060	-	-	3,030	-	-	- ditto.
20 "	"	Leadenhall-street, corner of St. Mary Axe - -	1,000	-	-	500	-	-	- ditto.
3 Mar.	"	63, Bishopsgate-street - - - -	500	-	-	166	13	4	- ditto.
15 Dec.	"	Corner of Lombard-street and Gracechurch-street -	8,000	-	-	4,000	-	-	- ditto.
15 "	"	11 and 12, Old Broad-street - - - -	450	-	-	150	-	-	- ditto.
9 Feb.	1866	8, 35, and 36, Throgmorton-street - - - -	4,080	-	-	1,360	-	-	- ditto.
9 "	"	34, Throgmorton-street - - - -	1,400	-	-	466	13	4	- ditto.
6 April	"	Blue-coat Building - - - -	11,000	-	-	3,666	13	4	- ditto.
19 Oct.	"	94 and 95, Fenchurch-street - - - -	1,884	-	-	942	-	-	- ditto.
31 May	1867	South-western corner of Fenchurch-street and Gracechurch-street - - - -	3,000	-	-	1,500	-	-	- ditto.
31 "	"	North-western corner of Fenchurch-street and Gracechurch-street - - - -	6,100	-	-	3,050	-	-	- ditto.
31 "	"	7 and 9, Throgmorton-street - - - -	360	-	-	180	-	-	- ditto.
31 "	"	Tokenhouse-yard - - - -	400	-	-	200	-	-	- ditto.
29 Nov.	"	Aldermanbury Postern and London-wall - - -	435	-	-	217	10	-	- ditto.
14 Feb.	1868	Ludgate-hill (western end) - - - -	23,512	-	-	11,756	-	-	- ditto.
14 "	"	Mansion House-street (Union Bank) - - - -	14,709	-	-	7,354	-	-	- ditto.
11 Dec.	"	66, 74, 75, Newgate-street - - - -	8,135	-	-	4,067	10	-	- ditto.
18 "	"	106, Fenchurch-street - - - -	6,210	-	-	3,105	-	-	- ditto.
18 "	"	91, 92, 93, 96, 97, Fenchurch-street - - -	13,226	-	-	6,613	-	-	- ditto.
16 July	1869	33, 34, 35, 36, Lombard-street - - - -	1,500	-	-	750	-	-	- ditto.
5 Nov.	"	87, 88, 89, 90, 98, Fenchurch-street - - -	15,355	-	-	7,677	10	-	- ditto.
18 Feb.	1870	Poultry (St. Mildred's Church) - - - -	4,000	-	-	2,000	-	-	- ditto.
18 "	"	Upper Thames-street - - - -	5,250	-	-	1,250	-	-	- ditto.
22 April	"	Fenchurch-street and Leadenhall street (east end) -	4,204	-	-	2,102	-	-	- ditto.
24 Feb.	1871	Queen-street, Cheapside (south of Queen-Victoria-street) - - - -	21,236	-	-	20,751	5	6	- ditto.
10 Mar.	"	Queen-street, Cheapside (north of Queen Victoria-street) - - - -	25,334	-	-				
26 May	"	Lower Thames-street (corner of Water-lane) - -	1,500	-	-	750	-	-	- ditto.
6 Oct.	"	51 and 59, Ludgate-hill - - - -	59,369	-	-	-	-	-	- ditto.
19 Jan.	1872	Upper Thames-street - - - -	3,500	-	-	1,750	-	-	- ditto.
19 "	"	Old Bailey and Ludgate-hill - - - -	850	-	-	425	-	-	- ditto.
19 "	"	Fleet-street and Farringdon-street (Ludgate-circus) -	1,500	-	-	750	-	-	- ditto.
26 "	"	Lombard-street - - - -	5,300	-	-	2,650	-	-	- ditto.
27 Mar.	"	Poultry (western portion) - - - -	10,514	-	-	5,257	1	7	- ditto.
27 "	"	Lime-street - - - -	2,088	-	-	1,044	-	-	- ditto.
27 "	"	Throgmorton-street - - - -	400	-	-	200	-	-	- ditto.
14 June	"	St. Mary-at-Hill (opposite Billingsgate) - - -	2,584	-	-	1,292	-	-	- ditto.
5 July	"	31 to 33, Mark-lane - - - -	1,150	-	-	575	-	-	375 <i>l.</i> paid on account.
12 "	"	Cannon-street, corner of Red Lion-court - -	300	-	-	150	-	-	
26 "	"	Paul's Wharf - - - -	605	-	-	302	10	-	- ditto.
26 "	"	Reynold's-court, Fore-street - - - -	6,870	-	-	2,981	2	11	- ditto.
1 Nov.	"	61, 63, 65, 67, 69, and 71, Ludgate-hill - -	56,000	-	-	-	-	-	- ditto.
28 Feb.	1873	Mark-lane - - - -	1,148	-	-	574	-	-	- ditto.
28 "	"	110, 111, and 112, Fenchurch-street - - -	1,250	-	-	625	-	-	- ditto.
9 April	"	77, Aldersgate-street - - - -	3,890	-	-	1,945	-	-	- ditto.
20 June	"	Jewin-street - - - -	1,850	-	-	925	-	-	- ditto.
20 "	"	32 and 33, St. Mary-at-Hill - - - -	1,496	-	-	748	-	-	- ditto.

MONIES Paid, or agreed to be Contributed, by the Board to Cost of Local Improvements in the Metropolis, &c.—*continued.*

Dates when Contributions were agreed to.	PARISH OR DISTRICT, AND LOCALITY.	Estimated Cost of Improvement.	Amount of Contribution by the Board.	REMARKS.
	1.—CITY OF LONDON— <i>continued.</i>	£. s. d.	£. s. d.	
12 Dec. 1873	Threadneedle-street, &c. - - - - -	6,000 - -	3,000 - -	Completed.
1 April 1874	10 and 11, Aldgate, and 12, 13, and 3, Jewry-street	3,400 - -	1,700 - -	- ditto.
19 Nov. 1875	38, Poultry - - - - -	4,090 - -	2,045 - -	{ 2,000 l. paid on account.
19 " "	83 and 84, Newgate-street - - - - -	12,280 - -	6,140 - -	
19 " "	Ludgate-circus - - - - -	21,515 - -	10,757 - -	Completed.
19 " "	208, Upper Thames-street - - - - -	300 - -	150 - -	- ditto.
19 " "	8 and 9, Aldgate - - - - -	2,050 - -	1,025 - -	{ 1,000 l. paid on account.
19 " "	69, Leadenhall-street - - - - -	950 - -	475 - -	
26 " "	105 and 106, Newgate-street - - - - -	9,306 - -	4,653 - -	Completed.
21 July 1876	32 to 37, Poultry - - - - -	70,950 - -	34,755 - -	{ 34,500 l. paid on account.
22 June 1877	Upper Thames-street—Nos. 179 and 180 - - -	250 - -	125 - -	
22 " "	" 199 and 190A - - - - -	992 - -	496 - -	Completed.
22 " "	" 214 - - - - -	1,400 - -	700 - -	- ditto.
22 " "	" 217 to 219 - - - - -	1,000 - -	550 - -	- ditto.
22 " "	" 241 and 242 - - - - -	2,742 - -	1,371 - -	- ditto.
22 " "	" Allhallows Church - - - - -	4,000 - -	2,000 - -	- ditto.
22 " "	" St. Andrew's Wharf (Earl-street) - - -	150 - -	75 - -	- ditto.
22 " "	Newgate-street—Nos. 114 to 117 - - -	21,660 - -	10,830 - -	- ditto.
22 " "	Aldgate—Nos. 14, 15, and 16, and Nos. 1, 2, and 3, Jewry-street - - - - -	8,446 - -	4,223 - -	- ditto.
22 " "	Aldgate—Nos. 17 and 18 - - - - -	3,200 - -	1,600 - -	- ditto.
22 " "	King-street, Aldgate—Nos. 7 and 8 - - -	300 - -	150 - -	- ditto.
22 " "	Leadenhall-street—Nos. 47 and 48 - - -	400 - -	200 - -	- ditto.
22 " "	Mark-lane—Nos. 11, 12, and 13 - - -	1,030 - -	515 - -	- ditto.
22 " "	St. Mary-at-Hill—Nos. 35 to 38 - - -	5,600 - -	2,750 - -	- ditto.
22 " "	" 34, 40, and 41 - - - - -	3,700 - -	1,850 - -	- ditto.
22 " "	Bishopsgate-street Within—No. 116, Rectory House	2,200 - -	1,100 - -	- ditto.
22 " "	Poultry—Nos. 28 to 31 - - - - -	19,409 - -	9,704 10 -	- ditto.
22 " "	No. 93, Great Tower-street, and No. 10, Little Tower-street - - - - -	15,800 - -	7,900 - -	- ditto.
22 " "	Lime-street (Carpenters' Company) - - -	1,500 - -	750 - -	- ditto.
22 " "	" No. 30 - - - - -	730 - -	365 - -	- ditto.
22 " "	" Nos. 28 and 29 - - - - -	4,844 - -	2,422 - -	- ditto.
22 " "	Watling-street—Nos. 19 to 21 - - - - -	1,000 - -	500 - -	- ditto.
1 Mar. 1878	170, 172, Upper Thames-street - - - - -	400 - -	200 - -	- ditto.
1 " "	Swan-street Further Improvement - - -	1,000 - -	500 - -	- ditto.
1 " "	Basinghall-street—Nos. 37 to 42, 42, 43 to 46	3,700 - -	1,850 - -	- ditto.
1 " "	Gresham-street—No. 40 - - - - -	1,150 - -	575 - -	- ditto.
1 " "	Well-street, Jewin-street - - - - -	1,500 - -	750 - -	- ditto.
13 Dec. "	Poultry—From Old Jewry to Ironmonger-lane	22,000 - -	11,000 - -	- ditto.
13 " "	Jewin-street, corner of - - - - -	23,603 - -	11,801 - -	- ditto.
13 " "	Long-lane—Nos. 4 to 8 - - - - -	2,050 - -	1,025 - -	- ditto.
13 " "	Aldersgate-street, Long-lane, and Cloth-street	3,208 - -	1,604 - -	- ditto.
13 " "	Long-lane—Further Improvement - - -	5,000 - -	2,500 - -	- ditto.
13 " "	Long-lane, No. 14 - - - - -	362 - -	181 - -	- ditto.
	£. 720,149 8 1		324,654 13 7	
	2.—ST. MARYLEBONE :			
11 July 1862	Rathbone-place - - - - -	6,000 - -	2,000 - -	Completed.
14 Dec. 1866	Hinde-street, High-street to Oxford-street - -	16,270 - -	8,135 - -	- ditto.
24 Mar. 1871	ditto - - ditto (Extension) - - -	27,354 - -	13,600 - -	{ 7,465 l. paid on account.
22 Nov. 1872	ditto - - ditto - - - - -	17,850 - -	8,925 - -	
30 May 1873	Little James-street, Lisson-grove - - -	29,685 - -	14,842 - -	6,400 l. ditto.
	£. 97,159 - -		47,502 - -	12,500 l. ditto.

MONIES Paid, or agreed to be Contributed, by the Board to Cost of Local Improvements in the Metropolis, &c.—*continued.*

Dates when Contributions were agreed to.	PARISH OR DISTRICT, AND LOCALITY.	Estimated Cost of Improvement.	Amount of Contribution by the Board.	REMARKS
	3.—ST. PANCRAS:	£. s. d.	£. s. d.	
22 July 1870	Lismore Circus, Kentish Town (inclosing and planting) - - - - -	831 10 -	800 - -	Completed.
17 Feb. 1871	Regent's Park-road - - - - -	550 - -	274 10 11	- ditto.
22 May 1874	Widening Entrance to Reed's-place, Kentish Town - - -	100 - -	50 - -	
11 June 1875	Canal Bridge by Chalk Farm-road - - -	5,000 - -	2,500 - -	2,907 <i>l.</i> paid on account of 4,000 <i>l.</i>
8 Mar. 1876	Further contribution, Canal Bridge, Chalk Farm-road - - -	3,000 - -	1,500 - -	
10 " "	Monte Video-place, Kentish Town - - -	3,000 - -	1,500 - -	Completed; 1,093 <i>l.</i> paid as balance of 4,000 <i>l.</i>
10 Aug. 1877	Gordon House-lane, Highgate-road - - -	3,855 - -	1,569 - -	
16 Nov. "		13,500 - -	6,750 - -	
10 Aug. "		18,500 - -	6,750 - -	
22 Feb. 1878	For laying out the Burial Ground as an ornamental garden, St. Pancras and St. Giles - - -	5,943 13 10	2,971 - -	
	£.	35,780 3 10	17,914 10 11	
	4.—LAMBETH:			
9 Aug. 1861	Princes-street - - - - -	150 - -	50 - -	Completed.
10 " 1866	High-street, Vauxhall - - - - -	8,300 - -	8,300 - -	- ditto.
8 May 1874	South Lambeth-road - - - - -	550 - -	275 - -	
22 Feb. 1878	Two additional thoroughfares through the Burial Ground attached to the Church of St John the Evangelist, Waterloo-road - - -	400 - -	200 - -	- ditto.
	£.	9,400 - -	8,825 - -	
	6.—ISLINGTON, ST. MARY:			
1 Nov. 1864	Colebrook-row - - - - -	350 - -	116 13 4	Completed.
6 Jan. 1865	Upper-street, "Old King's Head" Public-house - -	1,000 - -	500 - -	- ditto.
31 May 1867	Regent's Canal Bridge - - - - -	2,500 - -	1,250 - -	- ditto.
31 " "	New River Bridge, Canonbury-road - - -	540 19 6	150 - -	- ditto.
17 Feb. 1871	High-street (Footpath) - - - - -	312 - -	156 - -	- ditto.
11 Aug. "	High-street (near Bazaar) - - - - -	25 - -	12 10 -	- ditto.
4 July 1873	St. Paul's-road and Douglas-road, North Canonbury -	684 - -	342 - -	- ditto.
11 Dec. 1874	Stoke Newington-green - - - - -	150 - -	75 - -	- ditto.
26 Nov. 1875	127, Upper-street - - - - -	64 10 -	32 - -	- ditto.
23 Mar. 1877	124, 125, and 126, Upper-street - - -	370 - -	185 - -	- ditto.
23 " "	1 to 5, Fort-place, Blackstock-road - - -	140 - -	70 - -	- ditto.
23 " "	Hornsey-rise - - - - -	450 - -	225 - -	- ditto.
23 " "	Benwell-road - - - - -	75 - -	37 - -	- ditto.
23 " "	Birbeck-road, Upper Holloway - - -	507 - -	313 - -	- ditto.
23 " "	- - ditto - - ditto - - further improvement	120 - -	50 - -	
	£.	7,388 9 0	3,514 3 4	
	7.—SHOREDITCH, ST. LEONARD:			
21 Oct. 1870	Huntingdon-street, Hoxton - - - - -	4,415 - -	2,207 10 -	Completed.
9 Feb. 1872	Susannah-row, Curtain-road - - - - -	300 - -	150 - -	- ditto.
6 Dec. "	East-street, Hoxton - - - - -	1,565 - -	638 2 -	- ditto.
	£.	6,280 - -	2,995 12 -	
	PADDINGTON:			
9 Feb. 1866	Harrow-road Bridge - - - - -	2,600 - -	1,500 - -	Completed.
15 Nov. 1872	Bridge across Grand Junction Canal - - -	8,500 - -	3,500 - -	- ditto.
19 " 1875	Edgware-road, near Praed-street - - -	4,300 - -	2,150 - -	- ditto.
19 " "	Moscow-road, Eastern Entrance - - -	3,000 - -	1,500 - -	- ditto.
	£.	18,400 - -	8,650 - -	

MONIES Paid, or agreed to be Contributed, by the Board to Cost of Local Improvements in the Metropolis, &c.—continued.

Dates when Contributions were agreed to.	PARISH OR DISTRICT, AND LOCALITY.	Estimated Cost of Improvement.	Amount of Contribution by the Board.	REMARKS.
	9.—ST. MATTHEW, BETHNAL GREEN:	£. s. d.	£. s. d.	
4 April 1862	Purim-place, Cambridge-road - - - - -	270 - -	135 - -	Completed.
1 June 1866	Green-street, new Bridge over Regent's Canal - -	3,807 10 -	2,000 - -	- ditto.
	£.	3,577 10 -	2,135 - -	
	10.—ST. MARY, NEWINGTON, SURREY:			
19 Oct. 1866	East-street, Walworth - - - - -	400 - -	200 - -	Completed.
8 May 1868	Penrose-street (late West-street), Walworth-road -	300 - -	150 - -	- ditto.
7 Aug. "	East-lane, Walworth - - - - -	100 - -	50 - -	- ditto.
28 June 1872	5 and 7, East-street, Walworth - - - - -	272 17 2	136 8 7	- ditto.
9 Aug. "	South-street, Pleasant-row - - - - -	110 - -	55 - -	- ditto.
14 Nov. 1873	Walworth-road - - - - -	500 - -	250 - -	- ditto.
19 " 1875	Deacon-street and Walworth-road - - - - -	400 - -	200 - -	
19 " "	Penton-place, corner of - - - - -	750 - -	375 - -	
19 " "	King's-row - - - - -	100 - -	50 - -	- ditto.
19 " "	For laying out ornamentally for public use the Churchyard of the Parish - - - - -	1,384 - -	692 - -	
	£.	4,316 17 2	2,158 8 7	
	11.—CAMBERWELL:			
9 July 1858	Church-street and Grove-lane - - - - -	366 - -	122 - -	Completed.
1 Oct. "	St. George's Bridge - - - - -	1,000 - -	333 6 8	- ditto.
14 Jan. 1859	Camberwell-green (purchase of) - - - - -	1,000 - -	330 - -	- ditto.
11 May 1866	Buck's Bridge - - - - -	4,000 - -	2,000 - -	- ditto.
19 Oct. "	St. George's Bridge (additional) - - - - -	800 - -	266 3 4	- ditto.
22 Jan. 1869	Havil-street, Peckham-road - - - - -	1,009 - -	336 6 8	- ditto.
16 April "	Taylor's Bridge, Peckham - - - - -	2,775 - -	1,000 - -	- ditto.
26 May 1871	Globe Bridge, Commercial-road - - - - -	2,000 - -	1,000 - -	- ditto.
	£.	12,950 - -	5,388 6 8	
	12.—ST. JAMES', WESTMINSTER:			
10 Oct. 1873	Opening a thoroughfare from Coventry-street to Oxford-street; "Rupert-street" - - - - -	1,671 - -	835 - -	Completed.
	13.—ST. JAMES' AND ST. JOHN, CLERKENWELL:			
31 May 1867	Cobham-row - - - - -	250 - -	125 - -	Completed.
31 July 1868	Wilderness-row (south side) - - - - -	2,100 - -	2,100 - -	- ditto.
13 Oct. 1871	Exmouth-street - - - - -	320 - -	160 - -	- ditto.
	£.	2,670 - -	2,385 - -	
	14.—CHELSEA:			
18 Mar. 1864	King's-road - - - - -	864 8 4	288 2 10	Completed.
20 Jan. 1865	29, Queen's-road, West - - - - -	200 - -	100 - -	- ditto.
8 April 1870	Milman's-row - - - - -	1,000 - 9	533 6 8	- ditto.
27 May "	King's-road and Fulham-road - - - - -	2,428 16 11	809 12 3	- ditto.
27 " "	King's-road (corner of Church-street) - - - - -	982 14 5	327 11 5	- ditto.
17 Feb. 1871	Eaton and Sloane squares - - - - -	165 10 -	100 - -	- ditto.
14 July "	Sloane-street (south side) - - - - -	427 12 -	213 16 -	- ditto.
14 " "	21, 23, 25 and 27, King's-road - - - - -	800 - -	400 - -	- ditto.
21 Nov. 1873	South side of King's-road - - - - -	77 19 6	39 - -	- ditto.
27 Mar. 1874	Battersea-bridge to Fulham-road - - - - -	960 - -	480 - -	- ditto.
10 " 1876	Fulham-road - - - - -	1,000 - -	500 - -	
1 Feb. 1878	King's road (south side) - - - - -	717 2 3	142 - -	- ditto.
22 " "	Riley-street and King's road - - - - -	300 - -	150 - -	- ditto.
1 Mar. "	Cadogan-gardens (setting back railings) - - - - -	860 18 11	13 - -	- ditto.

MONIES Paid, or agreed to be Contributed, by the Board to Cost of Local Improvements in the Metropolis, &c.—continued

Dates when Contributions were agreed to.		PARISH OR DISTRICT, AND LOCALITY.	Estimated Cost of Improvement.	Amount of Contribution by the Board.	REMARKS
14.—CHELSEA—continued.					
19 July	1878	King's-road, between Lot's-road and Ashburnham-gardens - - - - -	£. s. d. 425 - -	£. s. d. 212 - -	Completed.
9 Aug.	"	Elm-park, Fulham-road - - - - -	742 9 9	371 - -	- ditto.
9 "	"	Riley-street (south end) - - - - -	512 2 9	266 - -	
6 Dec.	"	King's-road, by Ashburnham-gardens - - - - -	1,300 - -	650 - -	
6 "	"	King's-road, Nos. 289 and 289A - - - - -	130 - -	65 - -	
6 "	"	Lot's-road - - - - -	120 - -	60 - -	
6 "	"	King's-road, Nos. 149 to 165 - - - - -	481 - -	240 - -	
£.			15,096 4 10	5,950 9 2	
15. KENSINGTON, ST. MARY ABBOT:					
14 Mar.	1862	High-street - - - - -	500 - -	182 10 -	Completed.
17 April	1863	Brompton-road, from Knightsbridge-green to "Bell and Horns" Public-house - - - - -	5,325 - -	1,625 - -	- ditto.
8 May	1868	58, 60, 62, 64, High-street, Notting-hill - - - - -	1,590 - -	795 - -	- ditto.
9 July	1869	Old Brompton-road (north side) - - - - -	2,000 - -	1,000 - -	- ditto.
22 April	1870	Plough-lane, connecting Camden-hill with Uxbridge-road - - - - -	8,500 - -	4,250 - -	- ditto.
26 Nov.	1875	Church-street - - - - -	1,400 - -	700 - -	- ditto.
11 Feb.	1876	New-road, from Church-street to Vicarage-gardens - - - - -	3,800 - -	1,900 - -	
11 May	1877	Widening western end of Old Brompton, S.W. - - - - -	700 - -	350 - -	
29 Nov.	1878	Widening Bridges at Ladbroke-grove-road and Golborn-road. - - - - -	6,154 11 7	3,077 - -	
£.			29,969 11 7	13,879 10 -	
16.—ST. LUKE, MIDDLESEX:					
19 May	1865	Hartshorn-court and London-passage - - - - -	1,000 - -	200 - -	Completed.
21 July	"	City Garden-row - - - - -	1,000 - -	500 - -	- ditto.
8 Dec.	1869	Old-street - - - - -	500 - -	250 - -	- ditto.
17 Feb.	1871	Richard's-place, Old-street - - - - -	200 - -	100 - -	- ditto.
13 Oct.	"	Bath-street and Lever-street - - - - -	1,800 - -	900 - -	- ditto.
14 June	1872	Whitecross-street and Forster's-buildings - - - - -	500 - -	250 - -	- ditto.
9 April	1873	Blue Anchor-alley - - - - -	200 - -	100 - -	Work done. Account not yet adjusted.
25 "	"	City-road, Junction of Charles-street - - - - -	- - -	60 - -	
20 Mar.	1874	Rose-court, Golden-lane - - - - -	210 10 -	105 5 -	- ditto.
31 July	"	Broad Arrow-court, Milton-street - - - - -	540 - -	270 - -	- ditto.
14 Jan.	1876	Lamb-passage, from Bunhill-row - - - - -	3,030 - -	1,515 - -	- ditto.
21 "	"	Golden-lane and Bridgewater-gardens - - - - -	3,000 - -	1,500 - -	
16 Mar.	1877	Widening Playhouse-yard - - - - -	1,105 - -	552 - -	
16 "	"	Nos. 57, 59, 75, 77, 113, and 115, Golden-lane - - - - -	3,250 - -	1,625 - -	
11 May	"	Blue Anchor-alley, Long's-buildings - - - - -	408 3 -	204 3 -	
16 Nov.	"	Bath-street - - - - -	1,000 - -	5,000 - -	
14 Dec.	"	Widening Golden-lane - - - - -	76,034 - -	38,017 - -	
22 Feb.	1878	Lever-street (north side) - - - - -	742 - -	371 - -	
£.			103,319 13 -	51,419 8 -	
17.—ST. GEORGE-THE-MARTYR, SOUTHWARK:					
30 April	1858	Mint-street - - - - -	200 - -	66 13 4	Completed.
7 July	1876	White Horse-yard, Clarendon-street - - - - -	950 - -	400 - -	
£.			1,150 - -	466 13 4	

MONIES Paid, or agreed to be Contributed, by the Board to Cost of Local Improvements in the Metropolis, &c.—continued.

Dates when Contributions were agreed to.	PARISH OR DISTRICT, AND LOCALITY.	Estimated Cost of Improvement.	Amount of Contribution by the Board.	REMARKS.
	18.—BERMONDSEY :	£. s. d.	£. s. d.	
17 April 1867	Fendall-street - - - - -	160 - -	53 6 8	Completed.
5 Feb. 1868	Mill-street, Dockhead - - - - -	250 - -	83 6 8	- ditto.
3 June 1869	20 to 23, Mill-street, Dockhead - - - - -	320 - -	106 13 4	- ditto.
12 Aug. "	The Grange - - - - -	200 - -	66 13 4	- ditto.
26 April 1861	Crucifix-lane - - - - -	410 - -	136 13 4	- ditto.
26 " "	Cow-alley - - - - -	72 4 -	24 1 4	- ditto.
4 " 1862	- ditto - - - - -	265 11 4	88 10 5	- ditto.
3 June 1864	Great Mazepond-street - - - - -	325 - -	141 10 -	- ditto.
3 " "	Gun-alley - - - - -	224 - -	74 13 4	- ditto.
22 July "	The Grange - - - - -	300 - -	100 - -	- ditto.
28 Oct. "	12 to 15, Mill-street - - - - -	175 - -	58 6 8	- ditto.
29 Nov. 1867	Blue Anchor-lane (between High-road and Francis-road) - - - - -	235 - -	117 10 -	- ditto.
15 Oct. 1869	20, 21, Bermondsey-wall - - - - -	200 - -	100 - -	- ditto.
15 " "	Jamaica-level - - - - -	200 - -	100 - -	- ditto.
22 April 1870	Blue Anchor-lane (south end) - - - - -	300 - -	150 - -	- ditto.
10 Mar. 1871	Nutkin's corner, Bermondsey-wall - - - - -	870 - -	435 - -	- ditto.
10 " "	Blue Anchor-lane - - - - -	180 - -	65 - -	- ditto.
2 Aug. 1872	Dockhead and Gedling-street - - - - -	120 - -	60 - -	- ditto.
2 " "	White's-grounds, Artillery-street - - - - -	75 - -	37 10 -	- ditto.
28 Feb. 1873	Cottage-row - - - - -	260 - -	130 - -	- ditto.
25 July "	Abbey-street, Riley-street - - - - -	55 - -	27 10 -	- ditto.
25 " "	Porter's Granary - - - - -	144 - -	72 - -	- ditto.
19 Dec. "	East-lane - - - - -	140 - -	60 - -	- ditto.
19 Nov. 1875	133, Bermondsey-street - - - - -	150 - 9	75 - -	- ditto.
19 " "	43 and 45, Bermondsey-street - - - - -	336 - -	168 - -	- ditto.
19 " "	Wells-street - - - - -	85 - -	42 10 -	- ditto.
4 Feb. 1876	Russell-street - - - - -	202 10 -	101 - -	- ditto.
22 Dec. "	Jamaica-level - - - - -	60 - -	30 - -	- ditto.
22 " "	Jacob-street - - - - -	50 - -	25 - -	- ditto.
22 " "	Tyer's-gateway - - - - -	240 - -	120 - -	- ditto.
22 " "	Bermondsey-street - - - - -	746 10 -	373 - -	- ditto.
22 " "	Cherry-garden-street - - - - -	56 - -	28 - 9	- ditto.
19 Oct. 1877	Bermondsey-wall, Norway-wharf - - - - -	250 - -	125 - -	- ditto.
14 Dec. "	Riley-street - - - - -	2,500 - -	1,250 - -	- ditto.
9 Aug. 1878	Dockhead, East of Rose-court - - - - -	50 - -	25 - -	- ditto.
	£.	10,156 15 4	4,650 15 1	
	19.—ST. GEORGE-IN-THE-EAST :			
13 Dec. 1867	Christian-street - - - - -	1,250 - -	625 - -	Completed.
9 July 1869	Wapping-street (High-street) - - - - -	1,000 - -	500 - -	- ditto.
3 Dec. 1875	For the purchase of a piece of ground for a public garden or recreation ground - - - - -	2,412 - -	1,206 - -	- ditto.
	£.	4,662 - -	2,331 - -	
	20.—ST. MARTIN-IN-THE-FIELDS :			
20 Oct. 1871	St. Martin's-lane (widening the southern end) - - - - -	2,961 12 -	2,961 12 -	Completed.
	21.—HAMLET OF MILE END OLD TOWN :			
2 Oct. 1863	Whitehorse-lane, Stepney - - - - -	2,400 - -	1,200 - -	Completed.
24 Mar. 1871	Stepney-green (Recreation Ground) - - - - -	3,000 - -	3,000 - -	- ditto.
15 May 1874	Widening the entrance to South-grove, Mile End-road - - - - -	100 - -	50 - -	- ditto.
11 " 1877	Jamaica-street and Hannibal-road - - - - -	600 - -	300 - -	- ditto.
29 June "	Oxford-street, Mile End - - - - -	3,400 - -	1,700 - -	- ditto.
	£.	9,500 - -	6,250 - -	

MONIES Paid, or agreed to be Contributed, by the Board to Cost of Local Improvements in the Metropolis, &c.—*continued.*

Dates when Contributions were agreed to.	PARISH OR DISTRICT, AND LOCALITY.	Estimated Cost of Improvement.	Amount of Contribution by the Board.	REMARKS.
	22.—WOOLWICH :	£. s. d.	£. s. d.	
10 May 1865	Thomas-street - - - - -	868 - -	434 - -	Completed.
22 Jan. 1869	Beresford-square (inclosing and planting) - -	345 - -	100 - -	- ditto.
14 July 1871	New-street from Union-street to Beresford-street -	477 - -	238 10 -	- ditto.
	£.	1,690 - -	772 10 -	
	23.—ROTHERHITHE :			
12 March 1858	Rotherhithe-street - - - - -	458 5 4	151 1 9	Completed.
31 July 1863	Reconstructing Plough-bridge over Grand Surrey Canal	1,500 - -	233 6 8	- ditto.
27 Jan. 1865	Ditto - - ditto - - ditto (additional) -	380 8 11	115 12 5	- ditto.
9 Feb. 1866	Rotherhithe-street - - - - -	453 - -	151 13 4	- ditto.
15 Oct. 1869	Jamaica-level (Old Mill-stream) - - - - -	520 - -	260 - -	- ditto.
28 Feb. 1873	King and Queen's Granary - - - - -	500 - -	250 - -	- ditto.
19 Nov. 1875	Rotherhithe-street, near Bullhead Wharf - -	210 - -	105 - -	- ditto.
	£.	4,018 9 3	1,266 14 2	
	24.—ST. JOHN, HAMPSTEAD :			
7 Oct. 1870	Fleet-road - - - - -	200 - -	100 - -	Completed.
	25.—WHITECHAPEL DISTRICT :			
12 June 1857	Burr-street and East Smithfield - - - - -	1,500 - -	500 - -	Completed.
7 „ 1867	Royal Mint-street (Rosemary-lane) - - - - -	3,000 - -	1,500 - -	- ditto.
13 Dec. „	Lower East Smithfield - - - - -	11,000 - -	5,500 - -	- ditto.
7 May 1869	Royal Mint-street - - - - -	14,000 - -	7,000 - -	5,500L. paid on account.
16 Dec. 1870	Baker's-row (the Parishes of St. George-in-the-East and Bethnal-green are also interested in this Improvement)			
22 Mar. 1872		30,000 - -	15,000 - -	Completed.
19 Jan. „	Burr-street - - - - -	1,000 - -	500 - -	- ditto.
29 Nov. „	Corner of Leman-street and Royal Mint-street -	1,134 - -	567 - -	- ditto.
10 Oct. 1873	Old Castle-street - - - - -	300 - -	150 - -	- ditto.
20 Mar. 1874	Royal Mint-street - - - - -	5,760 - -	2,880 - -	- ditto.
	£.	67,694 - -	53,597 - -	
22 Feb. 1878	Swan-street and Minories, No. 17 and part of 18 -	1,100 - -	550 -	- ditto.
22 „ „	Whitechapel-road, High-street - - - - -	2,000 - -	1,000 - -	
	£.	70,794 - -	35,147 - -	
	26.—WESTMINSTER DISTRICT :			
8 April 1859	Rochester-row - - - - -	100 - -	33 6 8	Completed.
31 May 1861	Ditto - - - - -	900 - -	300 - -	- ditto.
26 July „	William-street - - - - -	1,500 - -	500 - -	Written off. See Finance Committee, 2nd May 1871.
29 Nov. 1867	Victoria-street to Palace-street - - - - -	5,550 - -	1,000 - -	
13 Dec. „	Ditto - - Palace-yard - - - - -	1,500 - -	750 - -	Completed.
1 July 1870	Broadway - - - - -	300 - -	125 - -	- ditto.
14 Oct. „	Princes-street and Tothill-street - - - - -	400 - -	200 - -	- ditto.
17 Feb. 1871	Ditto - - (additional) - - - - -	500 - -	250 - -	- ditto.
17 Mar. „	Broadway - - - - -	150 - -	75 - -	- ditto.
1 April 1874	Victoria-street and Palace-street (additional) -	(see above)	1,000 - -	
19 Nov. 1875	Improvement between Horseferry-road and Regent-street - - - - -	300 - -	150 - -	- ditto.
19 „ „	Improvement between William-street and James-street	3,000 - -	1,500 - -	- ditto.
15 Mar. 1878	New Pye-street - - - - -	1,100 - -	550 - -	
1 Nov. „	Alexander-street to Palace-street - - - - -	5,500 - -	2,700 - -	
20 Dec. „	Frances-street, Victoria-street End - - - - -	800 - -	400 - -	
	£..	21,800 - -	9,583 6 8	

MONIES Paid, or agreed to be Contributed, by the Board to Cost of Local Improvements in the Metropolis, &c.—*continued.*

Dates when Contributions were agreed to.	PARISH OR DISTRICT, AND LOCALITY.	Estimated Cost of Improvement.	Amount of Contribution by the Board.	REMARKS.
	27.—GREENWICH DISTRICT :	£. s. d.	£. s. d.	
10 Feb. 1860	Church-street, Deptford - - - - -	25 - -	8 6 8	Completed.
19 Jan. 1872	South-street (Upper end) - - - - -	1,100 - -	550 - -	- ditto.
20 June 1873	Conduit-lane, East Greenwich, by the addition to the thoroughfare of a strip of land - - -	184 10 -	67 - -	- ditto.
	£.	1,259 10 -	625 6 8	
	28.—WANDSWORTH DISTRICT :			
28 Nov. 1862	King-street, Battersea - - - - -	95 - -	47 10 -	Completed.
5 June 1863	Upper Richmond-road - - - - -	100 - -	33 6 8	- ditto.
5 " "	Gardener's-lane - - - - -	60 - -	20 - -	- ditto.
30 Oct. "	New-road, Battersea Fields - - - - -	114 7 5	38 2 6	- ditto.
6 April 1866	Lower Wandsworth-road - - - - -	2,000 - -	1,000 - -	- ditto.
12 Nov. 1869	New Wandsworth Bridge, over West London and Crystal Palace Railway, and Bridge over London and South Western Railway - - - - -	1,220 - -	600 - -	- ditto.
10 Mar. 1871	Park-road, Battersea - - - - -	350 - -	175 - -	- ditto.
26 Nov. 1875	Improvements near St. Ann's Church, St. Ann's-hill - - - - -	300 - -	150 - -	- ditto.
	£.	4,289 7 5	2,063 19 2	
	29.—HACKNEY DISTRICT :			
23 July 1869	Lordship-road (widening Bridge) - - - - -	600 - -	150 - -	Completed. On condition the District Board purchase the land.
8 Mar. 1872	Church-street, Stoke Newington - - - - -	100 - -	50 - -	
5 July "	Enlarging the area of London-fields - - - - -	1,000 - -	1,000 - -	
6 Dec. "	Removing Garden-wall, Sidney-road - - - - -	100 - -	50 - -	Completed. - ditto.
22 May 1874	Clarence-road - - - - -	100 - -	50 - -	
19 Nov. 1875	West-street and Sheep-lane - - - - -	112 10 -	56 - -	
19 " "	Church-street, Stoke Newington - - - - -	200 - -	100 - -	
11 Aug. 1876	Brooksby's-walk - - - - -	200 - -	100 - -	
	£.	2,412 10 -	1,556 - -	
2 Mar. 1877	Widening entrance West-street - - - - -	2,460 - -	1,230 - -	
31 May 1878	34 and 35, Church-street, Stoke Newington - - -	80 - -	40 - -	
	£.	4,952 10 -	2,826 - -	
	30.—ST. GILES' DISTRICT :			
6 May 1864	High-street - - - - -	747 5 -	200 - -	Completed.
18 " 1877	Goldsmith's-alley - - - - -	2,253 - -	1,126 10 -	
9 th Aug. 1878	For converting disused burial-ground into a Public Garden - - - - -	300 - -	150 - -	Completed.
	£.	3,300 5 -	1,476 10 -	
	31.—HOLBORN DISTRICT :			
5 Aug. 1864	Cursitor-street (west end) - - - - -	2,790 - -	930 - -	Completed.
	32.—STRAND DISTRICT :			
4 Aug. 1865	Carey-street - - - - -	15,000 - -	5,000 - -	Completed.
15 Mar. 1872	St. Mary-le-Strand Churchyard - - - - -	2,000 - -	1,000 - -	- ditto.
30 May 1873	Setting back No. 22, Chancery-lane - - - - -	330 - -	165 - -	- ditto.
12 Dec. "	Chancery-lane - - - - -	200 - -	100 - -	- ditto.
1 May 1874	Strip of land, east side of Chancery-lane - - -	600 - -	300 - -	
	£.	18,180 - -	6,565 - -	

MONIES Paid, or agreed to be Contributed, by the Board to Cost of Local Improvements in the Metropolis, &c.—*continued.*

Dates when Contributions were agreed to.	PARISH OR DISTRICT, AND LOCALITY.	Estimated Cost of Improvement.	Amount of Contribution by the Board.	REMARKS.
33.—FULHAM DISTRICT:				
23 Nov. 1860	The Mall, Hammersmith - - - - -	£. 500 - -	£. 166 13 4	Completed.
5 June 1863	156, King-street, West Hammersmith - - -	180 - -	60 - -	- ditto.
3 Mar. 1865	Burlington-road and Church-street - - -	450 - -	150 - -	- ditto.
19 Oct. 1866	Broadway, Hammersmith - - - - -	413 - -	206 10 -	- ditto.
19 " "	King's-road, Fulham - - - - -	150 - -	50 - -	- ditto.
13 Dec. 1867	King-street, Hammersmith - - - - -	400 - -	200 - -	- ditto.
1 Aug. 1873	Setting back the Fence attached to St. Paul's Church, Queen-street - - - - -	325 - -	162 10 -	
12 Mar. 1875	Parson's Green - - - - -	300 - -	200 - -	
	£.	2,718 - -	6,193 13 4	
22 Feb. 1878	North End-road - - - - -	330 - -	165 - -	
	North End-road, Further improvement - - -	500 - -	250 - -	
	£.	3,548 - -	1,610 13 4	
34.—LIMEHOUSE DISTRICT:				
30 April 1858	High-street, Wapping - - - - -	3,006 19 4	982 6 2	Completed.
20 Jan. 1865	98, 99, and 100, High-street, Wapping - - -	1,233 - -	616 10 -	- ditto.
16 Nov. 1866	Salisbury-street to Catherine-street, and from Aston-street to Richard-street - - - - -	5,350 - -	2,636 - -	- ditto.
7 June 1867	New Crane, Shadwell - - - - -	11,000 - -	4,521 11 5	- ditto.
21 Feb. 1868	Wapping-street (High-street) - - - - -	9,750 - -	4,875 - -	- ditto.
Oct. 1870	Wapping-street, Nos. 101, 102, 103, "The Black Boy" public house, and High-street, Nos. 125 and 126 - - - - -	8,422 - -	4,211 - -	3,000 l. paid on account.
13 " 1871	Sun Tavern Gap - - - - -	10,000 - -	6,000 - -	Completed.
8 Mar. 1872	Narrow-street and Three Colt-street - - -	14,500 - -	7,250 - -	- ditto.
14 Nov. 1873	Widening White Horse-street, Ratcliff - - -	300 - -	150 - -	- ditto.
19 June 1874	Wapping Wall - - - - -	5,633 - -	2,816 10 -	- ditto.
26 Nov. 1875	High-street, Wapping - - - - -	3,800 - -	1,900 - -	- ditto.
	£.	72,994 19 4	35,953 17 7	
35.—POPLAR DISTRICT:				
9 Nov. 1866	East India Dock-road, purchase and formation of Recreation Ground - - - - -	12,000 - -	6,000 - -	Completed.
26 " 1875	East Ferry-road, Millwall - - - - -	1,795 - -	858 - -	- ditto.
17 " 1876	Tredegar-road, Bow - - - - -	199 15 9	250 - -	- ditto.
11 Oct. 1878	Devons-road, and Orwell-road, Bromley - - -	2,538 12 5	1,019 - -	
1 Nov. "	Widening St. Leonard's-street - - - - -	785 - -	392 - -	
	£.	17,618 7 5	8,519 - -	
36.—ST. SAVIOUR'S DISTRICT:				
22 July } 1864	Bargehouse-street, Broadwall - - - - -	460 7 -	150 - -	Completed.
28 Oct. }	King-street, Southwark - - - - -	80 - -	40 - -	- ditto.
31 July 1868	Widening roadway opposite "Three Compasses," Bankside - - - - -	100 - -	50 - -	- ditto.
9 Jan. 1874	Broadwall, corner of Roupell-street - - -	990 - -	450 - -	- ditto.
27 Nov. "	Park-street, Southwark, "Smiths' Arms" public-house - - - - -	40 - -	20 - -	- ditto.
19 " 1875		£. 1,580 7 -	710 - -	

MOWIES Paid, or agreed to be Contributed, by the Board to Cost of Local Improvements in the Metropolis, &c.—continued.

Dates when Contributions were agreed to.	PARISH OR DISTRICT, AND LOCALITY.	Estimated Cost of Improvement.	Amount of Contribution by the Board.	REMARKS.
	37.—PLUMSTEAD DISTRICT:	£. s. d.	£. s. d.	
15 Aug. 1862	Construction of Bridge over River Quaggy, High road, near Lea-green - - - - -	1,000 - -	333 6 8	Completed.
6 April 1866	Widening Bridge over Railway in Burrage-road - - - - -	421 3 4	140 7 9	- ditto.
27 Oct. 1871	Plamstead-read (Footway) - - - - -	30 - -	15 - -	
23 Feb. 1872	Spray-street - - - - -	275 - -	137 10 -	
19 Nov. 1875	Widening a portion of the main road from Charlton to Blackheath - - - - -	800 - -	400 - -	
18 Feb. 1876	Mount Pleasant - - - - -	400 - -	200 - -	Completed; 193 l. paid.
	£.	2,926 3 4	1,226 4 5	
	38.—LEWISHAM DISTRICT:			
22 July 1870	Anerley and Station-roads, Penge - - - - -	200 - -	100 - -	Completed.
9 Aug. 1872	Ladywell-lane - - - - -	1,786 - -	850 - -	- ditto.
20 June 1873	Brockley-lane - - - - -	314 - -	157 - -	- ditto.
18 Feb. 1876	Perry-vale, Sydenham - - - - -	750 - -	375 - -	
21 July "	Recreation Ground for Sydenham and Forest-hill - - - - -	8,500 - -	4,250 - -	- ditto.
29 June 1877	Anerley-road, Widening Railway Bridge - - - - -	1,425 - -	712 10 -	- ditto.
9 Nov. "	Brockley-lane - - - - -	300 - -	150 - -	
21 June 1878	Lee Bridge, widening - - - - -	308 2 6	154 - -	- ditto.
9 Aug. "	Sydenham Station, widening Railway Bridge - - - - -	4,553 7 -	2,276 - -	- ditto.
	£.	18,136 9 6	9,024 10 -	
	39.—ST. OLAVE DISTRICT:			
1 Nov. 1861	Tooley-street (corner of Mill-lane) - - - - -	510 - -	255 - -	Completed.
9 Feb. 1866	Free School-street - - - - -	350 - -	116 13 4	- ditto.
22 Nov. 1867	Great Maze-pond - - - - -	98 - -	49 - -	- ditto.
22 " "	Pickle-Herring-street - - - - -	107 15 -	53 17 6	- ditto.
22 " "	New-street, St. John's - - - - -	110 10 -	55 5 9	Not yet applied for.
7 May 1869	60 and 61, Tooley-street - - - - -	1,806 - -	900 - -	Completed.
29 Oct. "	63, Tooley-street - - - - -	1,255 - -	627 10 -	- ditto.
20 May 1870	57, 58, 59, 62, Tooley-street - - - - -	2,065 - -	1,032 10 -	- ditto.
27 Oct. 1871	"Duke of Clarence" public-house, Tooley-street - - - - -	1,427 - -	713 10 -	- ditto.
11 " 1872	West side of Bermondsey-street - - - - -	100 - -	50 - -	- ditto.
28 Feb. 1873	65, Tooley-street - - - - -	1,250 - -	625 - -	- ditto.
23 May. "	66, Tooley-street - - - - -	750 - -	375 - -	- ditto.
28 Nov. "	Widening Weston-street and Sparick's-row - - - - -	375 - -	187 10 -	- ditto.
19 " 1875	Maze Pond and Weston-street - - - - -	100 - -	50 - -	- ditto.
19 " "	Widening Maze Pond-street - - - - -	325 - -	162 - -	- ditto.
19 " "	Widening Weston-street - - - - -	50 - -	25 - -	- ditto.
19 " "	67, Tooley-street - - - - -	420 - -	210 - -	- ditto.
19 " 1876	Shad-Thames, corner of Thomas-street - - - - -	100 - -	50 - -	- ditto.
1 " 1878	Maze Pond-street - - - - -	1,375 - -	687 - -	- ditto.
	£.	12,574 5 -	6,224 15 10	

SUMMARY.

No.	PARISH OR DISTRICT, &c.	Estimated Cost of Improvement.			Amount of Contribution of the Board.		
		£.	s.	d.	£.	s.	d.
1	City of London - - - - -	720,149	3	1	324,654	13	7
2	Saint Marylebone - - - - -	97,159	-	-	47,502	-	-
3	Saint Pancras - - - - -	35,780	3	10	17,914	10	11
4	Lambeth - - - - -	9,400	-	-	8,825	-	-
5	St. George, Hanover-square - - - - -	-	-	-	-	-	-
6	Islington, St. Mary - - - - -	7,388	9	6	3,514	3	4
7	Shoreditch, St. Leonard - - - - -	6,280	-	-	2,995	12	-
8	Paddington - - - - -	18,400	-	-	8,650	-	-
9	St. Matthew, Bethnal-green - - - - -	3,577	10	-	2,135	-	-
10	St. Mary Newington, Surrey - - - - -	4,316	17	2	2,158	8	7
11	Camberwell - - - - -	12,950	-	-	5,388	6	8
12	St. James, Westminster - - - - -	1,671	-	-	835	-	-
13	St James and St. John, Clerkenwell - - - - -	2,670	-	-	2,385	-	-
14	Chelsea - - - - -	15,096	4	10	5,950	9	2
15	Kensington, St. Mary Abbott - - - - -	29,969	11	7	13,870	10	-
16	St. Luke, Middlesex - - - - -	103,319	13	-	51,419	8	-
17	St. George-the-Martyr, Southwark - - - - -	1,150	-	-	466	13	4
18	Bermondsey - - - - -	10,156	15	4	4,650	15	1
19	St. George-in-the-East - - - - -	4,662	-	-	2,331	-	-
20	St. Martin-in-the-Fields - - - - -	2,961	12	-	2,961	12	-
21	Hamlet of Mile End Old Town - - - - -	9,500	-	-	6,250	-	-
22	Woolwich - - - - -	1,690	-	-	772	10	-
23	Rotherhithe - - - - -	4,018	9	3	1,266	14	2
24	St. John, Hampstead - - - - -	200	-	-	100	-	-
25	Whitechapel District - - - - -	70,794	-	-	35,147	-	-
26	Westminster „ - - - - -	21,600	-	-	9,583	6	8
27	Greenwich „ - - - - -	1,259	10	-	625	6	8
28	Wandsworth „ - - - - -	4,239	7	5	2,063	19	2
29	Hackney „ - - - - -	4,952	10	-	2,826	-	-
30	St. Giles „ - - - - -	3,300	5	-	1,476	10	-
31	Holborn „ - - - - -	2,790	-	-	930	-	-
32	Strand „ - - - - -	18,130	-	-	6,565	-	-
33	Fulham „ - - - - -	3,548	-	-	1,610	13	4
34	Limehouse „ - - - - -	72,994	19	4	35,958	17	7
35	Poplar „ - - - - -	17,618	7	5	8,519	-	-
36	St. Saviour's „ - - - - -	1,580	7	-	710	-	-
37	Plumstead „ - - - - -	2,926	3	4	1,226	4	5
38	Lewisham „ - - - - -	18,136	9	6	9,024	10	-
39	St. Olave „ - - - - -	12,574	5	-	6,224	15	10
40	The Charter House - - - - -	-	-	-	-	-	-
41	Gray's Inn - - - - -	-	-	-	-	-	-
42	The Close of the Collegiate Church of St. Peter - - - - -	-	-	-	-	-	-
43	Inner Temple - - - - -	-	-	-	-	-	-
44	Middle Temple - - - - -	-	-	-	-	-	-
45	Lincoln's Inn - - - - -	-	-	-	-	-	-
46	Staple Inn - - - - -	-	-	-	-	-	-
47	Furnival's Inn - - - - -	-	-	-	-	-	-
TOTAL from 1st January 1856 to 31st December 1878 - }		£.	1,358,910	13 7	639,497	10 6	

Spring Gardens, S.W.,
January 1879. }

Arthur Gunn, Accountant.

(B.)

METROPOLITAN BOARD OF WORKS.

RETURN to an Order of the Board of the 29th November last, on the Motion of Mr. Deputy *Henry Lowman Taylor*, showing the several Sums raised by the BOARD from the CITY OF LONDON, and the several PARISHES, DISTRICTS, and PARTS, during the Years 1856 to 1872 both inclusive; the Amounts agreed to be contributed by the Board towards the COST of LOCAL IMPROVEMENTS during the same Period, and the RATEABLE ANNUAL VALUE of PROPERTY in the METROPOLIS, with the addition of the Amounts raised by Precept in 1873, and the Rateable Annual Value for that Year.

Spring Gardens, }
9 April 1873. }

(signed) *Arthur Gunn*,
Accountant.

I.—SUMMARY STATEMENT.

YEAR.	SUMS RAISED BY THE PRECEPTS OF THE BOARD.				Rateable Annual Value.	Produce of a Penny Rate.
	For General Purposes.	For Main Drainage Debt and Interest.	For Fire Brigade Maintenance.	TOTAL.		
	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£.	£.
1856	98,457 8 10	- -	- -	98,457 8 10	11,283,668	47,016
1857	87,039 12 4	- -	- -	87,039 12 4	11,290,869	47,046
1858	107,087 2 2	- -	- -	107,087 2 2	12,031,161	50,129
1859	65,420 4 7	150,389 7 9	- -	215,809 12 4	12,045,476	50,189
1860	119,020 6 9	150,535 13 9	- -	270,456 - 6	12,057,455	50,239
1861	125,618 1 -	150,717 12 3	- -	276,335 13 3	12,450,416	51,876
1862	115,388 4 1	155,749 - 9	- -	271,137 4 10	12,514,053	52,141
1863	132,817 11 7	157,074 12 3	- -	289,892 3 10	12,569,989	52,374
1864	163,826 17 2	157,349 2 3	- -	321,175 19 5	12,588,661	52,457
1865	133,509 12 2	180,262 12 0	- -	313,862 4 11	14,419,823	60,082
1866	170,325 8 3	181,559 19 3	30,913 10 10	382,798 18 4	14,524,542	60,518
1867	222,122 3 2	190,659 11 0	31,795 13 9	444,577 8 8	15,261,999	63,591
1868	176,162 7 6	201,441 1 0	33,742 13 3	411,346 2 6	16,196,547	67,485
1869	172,745 14 9	202,759 16 6	33,869 19 -	409,375 10 3	16,257,643	67,740
1870	124,984 9 1	233,900 9 3	38,998 8 2	397,973 6 6	18,719,237	77,996
1871	112,308 8 6	106,766 6 11	38,922 7 1	257,997 2 6	18,683,288	77,847
1872	137,173 9 10	43,994 19 0	41,606 16 8	222,775 6 3	{ 19,971,281 * 78,461	{ 83,218 326
1873	152,364 14 6	37,503 15 -	42,200 1 2	232,224 10 8	{ 20,287,709 * 79,589	{ 84,532 331

* The District of the Hornsey Local Board for Main Drainage.

Amount agreed to be contributed by the Board towards Local Improvements
in the respective Districts up to 31st December 1872 - - - £. 372,094 6 3

II.—STATEMENT IN DETAIL.

YEAR.	Total Sums raised by the Precepts of the Board.	Rateable Annual Value.	Produce of a Penny Rate.
	£. s. d.	£.	£.
1874 - - -	364,843 19 4	20,644,010	86,016
1875 - - -	459,885 18 5	20,886,946	87,028
1876 - - -	446,489 - -	23,111,313	96,297
1877 - - -	466,422 5 7	23,136,819	96,403
1878 - - -	479,459 8 10	23,469,970	97,791
1879 - - -	582,997 19 9	23,960,109	99,833

SUMS raised by the Board
 VALUE of PROPERTY in the

RECEPTS DURING THE

	1866.			1867.		
d.	£.	s.	d.	£.	s.	d.
7	34,881	12	2	57,166	14	6
5	26,967	2	4	30,113	5	-
8	23,495	-	5	36,257	4	9
9	19,033	15	4	20,818	9	2
2	27,448	7	9	30,665	13	5
10	19,391	8	10	21,723	-	11
11	9,663	18	4	10,820	5	11
1	18,914	10	6	21,186	18	5
11	5,002	13	2	5,558	6	11
8	7,209	11	3	7,880	7	2
1	7,608	17	7	8,303	17	9
1	11,762	12	9	13,143	3	4
9	6,132	14	9	6,857	8	4
-	7,576	3	2	8,471	6	8
8	12,682	1	3	14,176	8	5
6	4,712	11	2	5,269	14	9
4	4,451	5	5	4,856	15	10
1	4,599	2	-	5,014	14	4
8	5,216	4	2	5,773	11	3
10	6,709	7	6	7,501	14	10
11	5,121	5	9	5,663	6	10
1	2,019	9	1	2,269	15	10
-	2,493	8	2	2,727	2	7
10	3,691	3	11	4,133	9	5
10	276,784	1	9	326,352	16	4
11	3,435	19	7	3,796	7	9
8	1,269	5	9	1,404	19	9
9	1,222	15	7	1,347	17	6
2	169	2	9	204	10	6
5	436	1	9	487	13	4
2	425	10	10	469	11	3
10	226	3	6	252	18	6
2	126	7	8	139	9	10
4	85	6	9	95	10	-
5	7,396	14	2	8,198	18	5
-	8,627	4	4	9,643	9	4
4	3,770	9	-	4,122	12	4
4	500	12	1	546	6	4
1	4,058	19	7	4,541	4	2
9	8,330	-	8	9,210	2	10
-	301,138	-	11	353,405	6	11

METROPOLITAN BOARD OF W

II.—STATEMENT IN DETA

from the CITY of LONDON, and the several Parishes, Districts, and Parts, during the Years 1856 to 1872, both incl
METROPOLIS; with the addition of the Amount raised by the Board in 1873, and the Rateable Annual Value for t

YEARS 1856 TO 1879, BOTH INCLUSIVE.

						TOTAL Sums Raised by the Board by Precepts during the Years 1856 to 1873 inclusive.		
1868.	1869.	1870.	1871.	1872.	1873.		1874.	187
£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£.
51,081 7 7	57,138 3 10	44,259 3 2	28,493 11 11	25,341 18 3	25,957 17 -	511,723 - 10	43,862 6 1	56,484
26,203 9 2	28,449 1 8	24,587 11 7	16,015 - 4	12,423 17 2	13,093 15 -	336,821 8 11	21,098 17 8	25,958
22,819 16 1	23,669 14 3	23,025 9 2	14,821 12 8	12,196 19 1	12,660 12 5	281,893 9 10	20,771 19 2	26,284
21,851 18 7	22,351 12 6	18,254 12 1	12,704 6 7	12,324 - 7	12,416 3 9	276,301 16 6	17,054 2 7	21,521
26,676 4 10	25,810 4 8	25,964 9 2	15,499 14 6	14,390 11 5	14,868 7 2	338,726 11 3	24,602 17 9	30,367
18,847 12 4	20,242 12 7	20,183 - 11	12,826 17 8	10,039 18 -	10,837 3 10	222,089 3 11	18,085 19 10	22,927
9,391 15 1	10,139 12 4	9,167 17 11	5,884 12 11	4,523 6 6	4,804 17 7	107,292 - 8	7,935 16 3	9,854
18,381 8 6	17,329 11 2	18,909 11 11	12,063 18 9	9,646 7 6	10,173 1 7	215,793 11 5	17,066 9 -	21,522
4,839 17 9	4,388 7 10	5,874 - 11	3,749 2 8	2,885 3 7	3,067 12 11	58,344 2 10	4,899 14 -	6,225
8,003 15 -	7,539 2 10	6,711 7 2	4,690 7 9	4,106 13 5	4,186 13 1	104,283 - 4	5,784 6 7	6,961
10,743 4 7	14,048 4 7	8,819 3 -	6,087 - 2	6,216 3 3	6,278 15 1	123,767 10 3	8,867 15 3	11,176
11,429 18 1	12,201 4 4	10,695 3 3	6,950 6 2	5,590 9 5	5,851 13 5	145,941 2 4	9,483 10 6	11,681
5,958 2 9	6,411 3 11	5,472 2 3	3,550 10 -	2,663 1 10	2,819 18 8	74,191 16 11	4,622 17 -	5,692
7,358 11 2	6,764 9 8	6,747 16 10	4,374 16 11	3,621 10 7	3,758 6 1	91,045 1 4	6,151 8 9	7,615
12,315 3 -	10,777 4 9	17,162 16 2	10,749 3 6	9,941 15 11	10,390 17 7	169,363 6 11	17,397 18 3	23,311
4,579 8 11	4,924 - 7	5,081 3 9	3,239 10 11	2,454 18 10	2,593 10 8	59,403 7 6	4,308 5 11	5,308
5,062 2 10	4,656 11 2	4,231 10 10	2,967 1 8	2,497 6 7	2,590 6 3	65,625 3 1	3,347 5 11	4,209
6,634 10 6	6,111 17 1	5,439 3 1	3,756 8 6	3,678 17 1	3,654 2 2	74,788 7 9	5,138 11 7	6,455
5,082 15 1	3,914 10 3	4,418 4 8	2,928 6 5	2,058 5 10	2,213 15 1	61,866 3 -	3,328 16 -	4,074
6,517 8 5	6,417 11 3	6,222 5 3	4,016 18 1	3,490 17 7	3,568 2 10	84,382 11 8	5,865 6 8	7,199
4,943 14 7	4,153 11 8	5,560 17 4	3,610 12 9	3,026 14 8	3,142 9 -	64,360 3 2	4,858 5 6	6,091
2,142 7 10	2,742 3 -	1,758 18 8	852 12 5	805 7 5	912 15 6	25,519 6 8	1,572 - 2	2,046
3,519 5 1	3,536 13 -	2,885 13 5	1,981 3 4	1,720 7 8	1,762 8 4	38,648 11 10	2,458 11 8	3,109
3,587 4 11	3,664 4 5	4,936 19 5	3,081 18 10	2,754 14 10	2,851 6 6	45,587 8 -	4,917 18 10	6,323
297,910 2 2	307,381 13 4	286,369 1 11	184,895 7 5	158,399 7 -	164,454 11 6	3,577,758 6 11	263,481 - 11	332,402
3,316 4 10	2,755 7 1	3,266 7 1	2,157 8 3	1,545 1 8	1,657 9 2	41,588 1 7	2,452 4 1	3,015
1,225 16 9	1,047 10 2	1,445 8 10	932 5 2	711 16 -	748 7 7	15,616 17 6	1,150 7 9	1,422
1,177 11 -	1,030 3 1	915 17 10	626 16 2	561 9 1	567 7 2	16,025 17 9	830 13 -	1,005
191 1 -	258 11 7	159 15 7	104 4 5	84 8 2	88 2 5	2,147 - 2	145 5 5	177
423 12 2	440 4 10	360 15 10	235 13 7	187 14 2	195 15 5	5,354 5 7	321 4 4	317
410 7 6	335 2 6	516 2 3	332 17 8	244 2 10	261 9 11	5,403 17 3	399 11 6	502
219 14 7	236 9 4	188 16 8	123 6 9	96 16 4	101 7 -	2,703 15 8	165 8 11	200
121 18 2	105 18 10	125 4 6	82 12 10	74 14 1	75 10 2	1,581 1 6	155 10 3	142
83 10 10	109 9 8	96 - 5	60 17 -	46 17 8	49 3 5	1,050 4 11	81 8 11	99
7,169 16 10	6,317 17 1	7,074 8 11	4,656 1 10	3,553 - -	3,744 12 3	91,471 1 11	5,661 14 2	6,885
8,835 7 -	8,780 12 9	9,609 19 6	6,123 6 11	5,229 5 9	5,485 11 8	108,168 19 1	8,987 16 9	11,219
4,337 3 10	4,378 7 5	4,343 6 -	2,653 9 1	2,664 4 10	2,749 15 9	54,896 3 9	3,897 11 8	4,940
511 8 5	566 16 -	420 10 11	303 9 6	287 8 6	284 - 8	8,028 17 11	430 8 10	529
4,239 14 5	3,168 2 7	3,755 12 9	2,674 2 5	2,509 - 9	2,537 4 5	63,731 5 6	3,140 14 7	3,896
9,088 6 8	8,113 6 -	8,519 9 8	5,631 1 -	5,460 14 1	5,571 - 10	126,656 7 2	7,468 15 1	9,367
322,553 12 8	330,593 9 2	311,573 - -	201,305 17 2	172,642 6 10	179,255 16 3	3,904,054 15 1	285,599 6 11	359,874

WORKS.—1873.

ILL.

usive; the Amounts agreed to be contributed by the Board towards the hat Year.

					TOTAL.	Number.
5.	1876.	1877.	1878.	1879.		
s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	
9 5	56,260 2 -	58,762 5 8	60,685 11 4	70,585 9 10	858,363 5 2	1
17 7	25,177 19 5	26,277 4 5	26,747 5 4	32,259 15 4	494,341 8 8	2
12 2	25,020 - 5	26,122 17 1	26,604 9 -	32,136 6 10	438,833 14 6	3
4 6	19,918 8 10	20,808 18 4	21,637 19 1	26,828 9 2	404,070 19 -	4
4 2	28,940 14 1	30,216 2 8	30,737 9 10	37,982 18 10	520,873 18 7	5
13 5	22,317 9 5	23,290 - 6	23,946 - 1	29,549 6 2	362,205 13 4	6
8 6	9,480 8 2	9,896 7 11	10,153 14 3	12,323 8 6	166,936 4 3	7
- 6	20,801 11 8	21,711 10 10	22,163 13 9	26,719 14 7	345,778 11 9	8
5 2	6,115 14 -	6,380 16 9	6,533 - 7	7,788 7 9	96,287 1 1	9
18 6	6,738 9 6	7,033 3 7	7,216 12 8	8,763 2 -	146,779 13 2	10
17 10	10,735 4 10	11,206 17 8	11,795 11 4	14,826 1 6	192,372 18 8	11
6 2	10,954 12 5	11,441 19 -	11,594 - 11	14,008 - 1	215,104 11 5	12
10 6	5,357 - 11	5,594 10 -	5,717 1 2	6,807 3 10	107,983 - 4	13
16 4	7,147 2 1	7,458 17 3	7,633 8 1	9,594 14 5	136,640 8 3	14
- 5	24,515 3 7	25,542 - -	26,255 8 2	32,874 8 3	319,259 5 7	15
17 2	5,002 - 9	5,223 19 1	5,352 9 1	6,459 14 5	91,068 13 11	16
10 5	4,155 13 3	4,335 13 6	4,430 18 8	5,364 - 4	91,468 5 2	17
4 4	6,889 16 4	7,057 2 8	7,163 1 1	8,766 1 8	116,258 5 -	18
9 2	3,649 18 4	3,816 5 10	3,875 7 5	4,602 3 3	85,213 3 -	19
5 8	6,766 12 -	7,066 7 9	7,179 15 2	8,633 15 5	127,098 14 4	20
1 9	5,731 8 -	5,986 1 8	6,166 9 -	7,509 1 4	100,702 10 5	21
11 -	2,079 3 11	2,167 14 3	2,203 6 -	2,655 17 4	38,243 19 4	22
- 3	3,321 15 3	3,459 15 2	3,621 10 3	4,542 4 7	59,161 9 -	23
3 2	6,287 15 5	6,559 4 8	6,827 9 6	8,573 14 10	85,076 14 5	24
8 1	323,358 4 7	337,415 15 10	346,241 11 9	419,450 - 3	5,600,107 8 4	
10 7	3,012 17 6	3,142 6 4	3,176 19 -	3,830 16 1	60,218 15 2	25
14 11	1,387 - 5	1,447 7 2	1,479 1 8	1,788 - 9	24,291 13 2	26
8 10	878 14 10	919 4 4	929 12 6	1,135 3 11	21,724 15 2	27
18 5	162 5 6	169 11 8	171 13 1	205 16 3	3,179 10 6	28
5 4	342 19 5	357 4 9	362 16 9	435 - 3	7,490 16 5	29
11 1	481 16 6	502 19 2	575 11 1	618 7 3	8,424 13 10	30
19 3	189 2 10	197 10 4	203 18 1	244 9 6	3,905 4 7	31
15 3	143 16 8	149 19 9	152 11 7	182 6 7	2,468 1 7	32
16 10	89 19 9	94 1 5	97 13 5	117 2 2	1,630 7 5	33
- 6	6,688 13 5	6,980 4 11	7,090 - 2	8,557 2 9	133,333 17 10	
9 3	10,067 3 -	10,525 10 3	10,670 13 4	13,403 15 7	173,043 7 3	34
19 4	4,760 2 4	4,968 6 2	5,162 7 6	6,471 12 9	8,097 3 6	35
18 2	481 16 3	503 11 -	509 13 10	611 8 6	11,095 14 6	36
7 -	3,613 11 7	3,774 16 8	3,856 19 11	4,677 3 2	86,690 18 5	37
4 6	8,855 10 2	9,246 13 10	9,529 1 3	11,760 4 5	182,883 16 5	
2 4	348,969 11 2	364,168 4 10	373,531 6 6	453,171 3 -	6,089,368 9 10	

Districts, and Parts, during the

CEPTS DURING THE

		1866.	1867.
s. d.	£. s. d.	£. s. d.	£. s. d.
1 -	301,138 - 11	353,405 6 11	
1 4	3,198 7 -	3,498 - 3	
1 9	256 4 6	285 3 2	
1 7	1,661 1 11	1,821 13 4	
1 1	2,609 6 10	2,840 - 1	
1 4	1,476 12 6	1,649 5 10	
1 1	1,153 17 4	1,291 10 5	
1 2	10,255 10 1	11,385 13 1	
1 11	8,514 17 8	9,444 6 9	
1 7	1,182 14 10	1,324 19 -	
1 6	9,697 12 6	10,769 5 9	
1 10	7,080 4 8	7,906 11 8	
1 6	3,629 3 -	4,049 5 8	
1 9	444 12 6	496 16 5	
1 10	812 12 9	906 18 9	
1 11	105 2 5	117 10 7	
1 -	4,991 10 8	5,570 11 5	
1 4	2,432 12 5	2,720 - 1	
1 2	1,236 6 6	1,382 15 1	
1 8	230 6 3	257 10 7	
1 1	451 16 2	505 10 1	
1 9	2,413 4 8	2,639 2 5	
1 5	480 19 2	536 19 2	
1 5	7,245 5 2	8,101 18 2	
1 10	3,432 15 4	3,715 18 4	
1 1	2,042 10 3	2,228 17 6	
1 11	5,475 5 7	5,944 15 10	
1 9	2,273 13 8	2,527 9 3	
1 -	1,116 8 1	1,240 10 2	
1 7	1,120 - 5	1,242 3 11	
1 -	1,635 15 -	1,811 9 -	
1 - 5	6,145 17 2	6,821 12 4	
1 3	5,339 9 5	5,972 - 8	
1 10	1,218 2 10	1,364 1 11	
1 7	2,072 3 7	2,321 19 9	
1 8	8,629 15 10	9,658 2 4	
1 7	1,990 15 9	2,163 1 1	
1 7	3,160 10 8	3,437 18 5	
1 2	5,151 6 5	5,600 19 6	
1 10	1,165 7 10	1,347 19 3	
1 - 9	1,285 13 2	1,509 10 8	
1 -	467 14 11	572 5 10	
1 -	1,457 19 1	1,664 19 11	
1 11	339 19 4	386 7 5	
1 6	4,716 14 4	5,481 2 1	
1 7	370,627 3 4	480,645 19 11	

Years 1856 to 1872, both incl

II.—STATEMENT IN DETAIL.—RETURN sho

YEARS 1856 TO 1879,

1868.	1869.
£. s. d. 322,553 12 8	£. s. d. 330,593 9 2
3,831 1 8	4,161 5 4
306 8 5	232 17 11
2,316 14 7	2,432 16 7
5,307 7 1	5,337 18 7
2,478 3 11	2,409 2 8
1,605 14 2	1,747 12 6
15,845 4 10	16,321 13 7
8,232 6 4	6,560 18 5
1,149 11 9	1,148 16 5
9,381 18 1	7,709 14 10
6,875 7 3	6,881 2 10
3,523 8 -	3,631 15 4
431 17 11	468 3 1
789 - 2	807 10 7
102 2 7	98 11 7
4,846 8 8	5,006 - 7
2,363 - -	2,274 4 -
1,201 - 10	1,168 10 8
223 14 5	213 14 1
438 19 1	405 10 9
2,344 7 -	2,239 17 7
467 - 2	481 14 4
7,038 1 6	6,783 11 5
3,296 7 2	1,815 19 11
1,966 18 2	976 6 6
5,263 5 4	2,792 6 5
2,199 11 3	2,074 13 6
1,083 1 4	832 15 4
1,082 8 9	833 12 7
1,580 1 8	1,363 16 5
5,945 3 -	5,154 17 10
5,185 13 1	5,420 18 -
1,183 10 5	1,387 3 2
2,013 13 1	2,125 2 11
8,382 16 7	8,933 4 1
2,022 4 6	1,751 2 11
3,726 3 4	3,370 15 7
5,748 7 10	5,121 18 6
1,191 10 1	771 2 5
1,391 7 9	1,202 7 9
508 12 8	532 13 10
1,535 4 3	808 10 10
359 19 2	211 15 1
4,986 13 11	3,526 9 11
396,866 19 8	398,824 9 2

0.89.

Number.	PARISHES, DISTRICTS, AND PARTS.	1856.	1857.	1858.	
	Brought forward - - -	£. s. d. 82,110 3 1	£. s. d. 82,220 7 7	£. s. d. 101,072 5 7	204
73	LEWISHAM DISTRICT:				
	Lewisham, including Sydenham Cha-	10,493 4 5	2,734 15 10	3,095 4 7	
74	pelry. Hamlet of Penge - - - -	135 2 7	115 3 2	132 10 1	
	£.	10,628 7 -	2,849 19 -	32,271 4 8	
	ST. OLAVE DISTRICT:				
75	St. Olave - - - - -	674 13 -	832 13 6	790 8 11	1
76	S. Thomas, Southwark - - - -	63 7 7	73 18 10	70 4 -	
77	St. John, Horselydown - - - -	626 11 7	681 - 8	646 10 2	
	£.	1,364 12 2	1,587 13 -	1,507 3 1	2
78	THE CHARTERHOUSE - - - - -	12 6 -	11 2 9	13 14 3	
79	GRAY'S INN - - - - -	121 16 -	75 9 -	71 3 7	
80	THE CLOSE OF THE COLLEGIATE CHURCH OF ST. PETER.	4 17 10	- - -	- - -	
81	INNER TEMPLE - - - - -	91 1 9	- - -	- - -	
82	MIDDLE TEMPLE - - - - -	59 19 -	- - -	- - -	
83	LINCOLN'S INN - - - - -	64 - 3	- - -	- - -	
84	STAPLE INN - - - - -	8 6 -	- - -	- - -	
85	FURNIVAL'S INN - - - - -	16 12 1	- - -	- - -	
	PARISHES or PARTS without the limits of the METROPOLIS, as defined by the Act:				
86	Willesden - - - - -	100 18 8	55 1 9	55 1 9	
87	Acton - - - - -	462 9 8	297 19 9	297 19 9	
88	Ealing - - - - -	116 - -	82 12 1	82 12 1	
	Extra Parochial:				
89	Southampton Buildings, &c. - - -	- - -	- - -	- - -	
90	Lambeth Palace - - - - -	21 17 2	13 4 11	13 4 11	
91	Deptford Dockyard - - - - -	6 14 9	7 11 5	7 11 5	
92	Borough Market Tolls - - - - -	2 13 10	3 - 6	3 - 6	
93	That part of Hornsey Parish in former Finsbury Division.	- - -	- - -	- - -	
94	Chiswick - - - - -	931 17 -	507 15 6	507 15 6	
95	Wimbledon - - - - -	106 1 9	- - 3	- - 3	
96	Mitcham - - - - -	306 8 3	- - 7	- - 7	
87	Merton - - - - -	92 11 3	- - 2	- - 2	
98	Wallington - - - - -	16 15 3	- - 1	- - 1	
99	Croydon - - - - -	50 10 2	51 8 2	51 8 2	
100	Morden - - - - -	58 15 1	- - 2	- - 2	
101	Richmond - - - - -	1,701 14 10	176 5 8	176 5 8	
102	THE DISTRICT OF THE HORNSEY LOCAL BOARD.	- - -	- - -	- - -	
	£.	98,457 8 10	87,939 12 4	107,087 2 2	215

wing the several Sums raised by the Board from the City of London, and the several Parishes, Districts, and Parts, during the

SUMS RAISED BY THE BOARD BY PRECEPTS DURING THE

1859.	1860.	1861.	1862.	1863.	1864.	1865.	1866.	1867.
<div>£. s. d.</div> <div>3,676 18 5</div>	<div>£. s. d.</div> <div>259,818 15 5</div>	<div>£. s. d.</div> <div>265,944 2 3</div>	<div>£. s. d.</div> <div>260,530 12 5</div>	<div>£. s. d.</div> <div>279,734 17 8</div>	<div>£. s. d.</div> <div>311,518 13 3</div>	<div>£. s. d.</div> <div>303,939 11 7</div>	<div>£. s. d.</div> <div>370,627 3 4</div>	<div>£. s. d.</div> <div>430,645 19 11</div>
<div>£. s. d.</div> <div>3,804 19 4</div>	<div>£. s. d.</div> <div>4,310 - 9</div>	<div>£. s. d.</div> <div>4,556 3 8</div>	<div>£. s. d.</div> <div>4,787 17 8</div>	<div>£. s. d.</div> <div>4,485 4 9</div>	<div>£. s. d.</div> <div>3,401 18 -</div>	<div>£. s. d.</div> <div>4,256 3 8</div>	<div>£. s. d.</div> <div>5,644 6 1</div>	<div>£. s. d.</div> <div>6,416 14 9</div>
<div>£. s. d.</div> <div>366 5 -</div>	<div>£. s. d.</div> <div>463 11 3</div>	<div>£. s. d.</div> <div>633 15 5</div>	<div>£. s. d.</div> <div>780 15 5</div>	<div>£. s. d.</div> <div>984 11 4</div>	<div>£. s. d.</div> <div>1,055 10 9</div>	<div>£. s. d.</div> <div>887 17 9</div>	<div>£. s. d.</div> <div>1,094 13 9</div>	<div>£. s. d.</div> <div>1,225 17 6</div>
<div>£. s. d.</div> <div>4,171 4 4</div>	<div>£. s. d.</div> <div>4,773 12 -</div>	<div>£. s. d.</div> <div>5,189 18 8</div>	<div>£. s. d.</div> <div>5,568 13 1</div>	<div>£. s. d.</div> <div>5,419 16 1</div>	<div>£. s. d.</div> <div>4,457 8 9</div>	<div>£. s. d.</div> <div>5,144 1 5</div>	<div>£. s. d.</div> <div>6,738 19 10</div>	<div>£. s. d.</div> <div>7,642 12 3</div>
<div>£. s. d.</div> <div>9,511 18 3</div>	<div>£. s. d.</div> <div>1,997 - 2</div>	<div>£. s. d.</div> <div>1,592 19 8</div>	<div>£. s. d.</div> <div>1,397 19 9</div>	<div>£. s. d.</div> <div>1,389 4 11</div>	<div>£. s. d.</div> <div>1,672 3 10</div>	<div>£. s. d.</div> <div>1,517 5 7</div>	<div>£. s. d.</div> <div>1,777 2 2</div>	<div>£. s. d.</div> <div>1,937 17 2</div>
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<div>£. s. d.</div> <div>297 19 9</div>	<div>£. s. d.</div> <div>297 19 9</div>	<div>£. s. d.</div> <div>297 19 9</div>	<div>£. s. d.</div> <div>297 19 9</div>	<div>£. s. d.</div> <div>205 6 1</div>	<div>£. s. d.</div> <div>205 5 6</div>	<div>£. s. d.</div> <div>202 11 11</div>	<div>£. s. d.</div> <div>195 2 -</div>	<div>£. s. d.</div> <div>627 12 -</div>
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<div>£. s. d.</div> <div>7 9 8</div>	<div>£. s. d.</div> <div>7 9 8</div>	<div>£. s. d.</div> <div>6 16 8</div>	<div>£. s. d.</div> <div>6 13 11</div>	<div>£. s. d.</div> <div>6 11 3</div>	<div>£. s. d.</div> <div>6 10 11</div>	<div>£. s. d.</div> <div>6 8 6</div>	<div>£. s. d.</div> <div>6 4 6</div>	<div>£. s. d.</div> <div>5 19 7</div>
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Years 1856 to 1872, both inclu

YEARS 1856 TO 1879, B

1868.	1869.	
£. s. d.	£. s. d.	
396,866 19 8	398,824 9 2	34
6,025 2 9	2,883 5 5	
2,404 18 9	2,548 13 7	
8,430 1 6	5,431 19 -	
2,053 19 2	1,813 14 11	
293 8 7	271 3 11	
1,715 18 10	1,607 17 1	
4,063 6 7	3,692 15 11	
48 1 5	36 7 2	
317 16 1	196 15 6	
21 15 2	21 4 8	
296 17 1	289 14 3	
194 5 1	189 11 8	
257 13 6	251 9 6	
33 11 10	32 15 8	
47 5 7	46 2 10	
19 7 10	- - -	
180 2 1	- - -	
49 18 7	8 15 10	
- - -	4 16 7	
10 2 7	9 4 7	
5 15 10	5 16 3	
2 6 2	2 9 1	
- - -	- - -	
306 18 -	294 2 6	
- - -	- - -	
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39 6 4	36 16 5	
- - -	- 3 8	
154 11 7	- - -	
- - -	- - -	
441,346 2 6	409,375 10 3	397,1

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Chelsea Embankments, *Sir J. Bazalgette* 941-943—Statement that the riparian owners on the south side of the river contributed to the construction of the embankments only as general ratepayers; benefits which are enjoyed by those owners in regard to the general thoroughfare over the embankments, *ib.* 944-961.

Belief that since the construction of the embankments there has not been the least increase in the high-water mark; on the contrary, little less water comes up on account of the embankment, *Sir J. Bazalgette* 1384-1393. 1428, 1429.

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Detailed explanation with reference to former evidence as to the obstruction of space between the bridges by the embankment, and the consequent effect upon the height of the tide, *Law* 2100-2103.

The total cost of the three embankments amounted to two-and-a-half millions, *Sir J. Bazalgette* 2125-2138—Absence in the present Bill of any power by which the Board could order an embankment to be built, *ib.* 2145-2147.

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Farnfield, William Henry. (Analysis of his Evidence.)—Explanation that the Poplar district includes the Isle of Dogs, and extends therefrom to Victoria Park; three miles of river frontage included in the district, 1538-1540—Statement that the works required as defences against flooding have practically all been carried out in this district; three small works only remain to be carried out, 1541, 1542, 1600-1603.

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Absence of complaints as to injury to business in consequence of the compliance with the Board's notices, 1547—Absorption by the owners of the public footway round the Isle of Dogs, in consequence of which accommodation has been provided in the rear, 1548-1555. 1568-1571. 1578-1580. 1605-1612. 1642-1646.

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Circumstances under which the Poplar district repaired the bank of the River Lea; explanation that this repair was really in regard to the road fronting that river, 1586-1588. 1640-1624. 1649-1652—Description of the mode in which the rates are distributed in the district between the three parishes which compose the district board, 1629, 1630—Opinion that each district board should carry out its own works for the prevention of flooding, charging the owners and lessees of the properties with the cost, 1631. 1634-1641.

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Ferguson, George. Petition against the Bill, *Rep. v.*

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Fines. Proposal in the present Bill to institute a system of fines in the event of the temporary tide-boards being left out of their places; the possible destination of these fines would be to form a fund for the relief of the inhabitants, *Sir J. Bazalgette* 1246-1249, 1345, 1346, 1258, 1259.

Floodgates and Slides. Description of the slides proposed to be used for the purpose of keeping out the high tides; belief that if necessary these slides could be made self-acting, *Sir J. Bazalgette* 1331-1340, 1347, 1348—Advantage of utilising the services of the police in order to secure the floodgates being in position at time of high water, *ib.* 1341-1344—Possible expediency of making it a misdemeanour to neglect keeping the slides in working order, *ib.* 1345, 1346.

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Fulham. Petition against the Bill from the Fulham District Board of Works, *Rep. iv*—Petition also against the Bill from owners and occupiers in Fulham, *ib.*

Belief that Fulham is the only district on the north of the river that has done nothing in the way of flood prevention, *Robinson* 69—Explanations in reply to certain averments in the petition of the Fulham District Board, *ib.* 120-129.

Comparatively low poor rates in Fulham, *Richardson* 122, 125—Much larger expenditure of Greenwich than of Fulham upon sewers and upon paving, *ib.* 128, 129—Repair out of the local rates of the public roadway along the Mall in Fulham parish, *ib.* 321-335—Doubt as to the extent of road frontage in Fulham parish, *ib.* 345-348.

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Gaslight and Coke Company. Petition against the Bill from the Gaslight and Coke Company, *Rep. v.*

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Hall, Robert Gresley. Petition against the Bill from Mr. R. G. Hall, *Rep. v.*

Hammersmith. Petition against the Bill from owners and occupiers in Hammersmith, *Rep. iv.*

Grounds for the conclusion that the Mall at Hammersmith should be dealt with as a local rather than a metropolitan matter, and that the ratepayers generally should not contribute to the cost of flood prevention works at this point, *Richardson* 288-335. 527.

Proposed works on Hammersmith Mall, the wall of which is at present in a very dilapidated condition, *Sir J. Bazalgette* 648-655.

Havers, John Cory. (Analysis of his Evidence.)—Representation by witness, of the firm of William Cory & Son, who are lessees of a coal wharf in Commercial-road, Lambeth, 1466-1467—Petition presented by the firm against the Bill promoted by the Metropolitan Board of Works in 1877; apprehension of the firm that the raising of the river frontage of their wharf would permanently increase the cost of wages, 1468-1472.

Steps subsequently taken by the firm for raising the frontage, the expense having been only about 62*l.*, whilst no increase of wages has been entailed; particulars as to the extent and character of the work, 1473 *et seq.*—Construction of the work under the advice of the Metropolitan Board, 1474, 1475. 1522-1525.

Explanation that witness does not contemplate any obligation under the present Bill to do additional works, the conditions required as to prevention of floods having been already fulfilled, 1504-1512. 1519-1521. 1526-1530—Doubt as to floods having increased in height since the Thames Embankment, 1513, 1514—Expenditure of about 400*l.* by witness' firm in opposing the Bill of 1877; 1531, 1532.

Health. Sanitary mischief in the locality where river banks are overflowed, though the owners may not be injured, *Richardson* 505-510.

Height of Works. Question whether one uniform datum line might not be laid down by the Bill, *Richardson* 511, 512—Proposal by the Board of Works to raise all the embankments to a height of six inches above the highest flood that ever occurred, *Sir J. Bazalgette* 667-669.

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K.

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Law, Henry. (Analysis of his Evidence.)—Is a Civil Engineer, and a member of the Institution of Civil Engineers; is well conversant with the tides of the River Thames, and was employed under Sir J. Brunel, in the year 1837, in the construction of the Thames Tunnel, 1658–1661. 1974—Professional life of witness, from 1837 to 1853, almost exclusively spent upon works connected with the River Thames, 1661—Similar opinions held by witness at this time as when giving evidence before the Committee of 1877; 1663.

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Constitution by Act of Parliament in 1857 of the present Board of Conservators, which also gave them power and funds to enable them to dredge the river; large extent to which these powers have been carried out, 1667, 1668—Extremely high tides the result of accidental circumstance, having no reference whatever to the river; the highest tide within the knowledge of witness was in the year 1845, when it rose five feet eight inches above the normal height to which the tide should have risen by the Admiralty tables, 1670–1976—Marvellous accuracy with which the heights of the tides are ascertained by the Admiralty tables, 1672.

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Contention that the removal of the shoals from the bed of the river has enhanced immensely the value of wharf property on the banks; argument from this fact that there is no injustice in imposing upon wharfowners the cost of works for the protection of the

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Explanation in regard to the estimated cost of the proposed works under the Bill not exceeding 55,000 *l.*; 1746-1750—Examination with reference to what the petitioners consider their undefined liability under the present Bill; belief that the clear and distinct intention of the Bill is simply to construct the proposed works for the prevention of flooding, 1751-1764.

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Examination with reference to the proposed works at Ward's wharf; belief that there is no case in which the wharfingers will suffer inconvenience through these works, 1882-1924—Opinion that no difficulty would arise at this wharf in raising fire bricks from barges over the wall, 1902-1908. 1924—Assertion that the same obstructions to business on account of the proposed works would exist in the docks as at the wharves, 1913-1918.

Statement that the future works in the Thames will depend upon the height to which the water level may hereafter rise; statistics as to the height of the water level between the years 1823 and 1878; 1925-1938—The continual increase of the average level of high water since 1843, both above and below London Bridge, is seven and a half inches, 1937, 1938—Consideration of the effect of the removal of London Bridge as regards the capacity of the river and the height of the tide, 1942-1945.

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Explanation that the construction of one or two heavy bridges over the Thames would not have a tendency to mitigate the floods; the area of the river in such a case would be so arranged that there would be no impediment offered to the tidal flow, 1995-1998—Grounds for the opinion that it would be impossible to introduce into an Act of Parliament any general regulations in regard to the height to which the works should be carried for the prevention of flooding, 2011-2029. 2090-2099—Approval of producing definite plans in each case of projected works; inexpediency, however, of definite rules which would involve the Board of Works and the owners in an enormous amount of trouble, explanation, and discussion, 2020-2029. 2091.

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Lea Conservancy. Bye-law made by the Lea Conservancy Board under their Act of 1868, as to the owners or occupiers of wharves on the banks of the navigation repairing and maintaining the water-wall, *Richardson* 101, 102. 106-108.

Limehouse. Petition against the Bill from the Limehouse Board of Works, *Rep. v.*

Letter from the Limehouse District Board of Works, dated 7th May 1874, to the effect that the district boards should be empowered to require the owners of wharves to raise their frontages, and that in default of the owners, the boards should execute the works, and charge the cost upon the property, *Richardson* 19.

Resolution of the Limehouse Board of Works that the cost of carrying out the proposed Act should be borne by the whole metropolitan area, *Richardson* 336—Belief as to the satisfactory character of the works carried out by the Limehouse Board; further liability simply in respect of any compensation which is to fall on the ratepayers generally, *ib.* 496-501. 513.

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Detailed information as to the works which are required to be carried out in the Limehouse district; the total cost for these works will amount to 47 *l.* only, *Sir J. Bazalgette* 1139-1157—Statement that the Limehouse Board have done their duty in raising certain places, but that they have not raised them high enough; necessity for this reason of their being some one governing body to see that all such works are carried out uniformly, *ib.* 1143-1157. 1172-1174. 1280.

Explanation of the increase of the estimate for the works at the private wharfs in the Limehouse district at the present time over that for the same works in 1877; reasons for the estimate of 1877 having been of a hurried and incomplete character, *Sir J. Bazalgette* 1156-1161.

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Local Government Board. Communication from the Home Office, dated 18th January 1879, together with a letter from the Local Government Board, dated 13th January; opinion expressed by the latter Board that the Metropolitan Board should bear at least a moiety of the cost of the works, *Richardson* 82-87. 100. 109.

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Examination with reference to contributions by the Metropolitan Board towards improvements in various parts of London, *Sir J. Bazalgette* 1303-1306. 1447-1449.

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METROPOLITAN BOARD OF WORKS:

Necessity of one authority for determining the heights of the inner wall in the city and elsewhere; that authority can be none other than the Metropolitan Board, *Richardson* 116-119—Grounds for concluding that there need be no fear of the Board exercising its powers arbitrarily, *ib.* 142, 143.

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Decided opinion that in regard to the present question it is not necessary to give the Metropolitan Board the power to carry out works without option; construction of works by the Board should only be in the event of the default of the owners, *Sir J. Bazalgette* 1186—Argument that as the Metropolitan Board have been entrusted by Parliament with very much larger works, and with the expenditure of many millions of money, without giving any power of appeal to any other body, the contract of the present works, costing only 55,000 *l.*, may safely be left to that body, *ib.* 1270-1277.

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Impossibility of there being any authority better able to deal with the present question than the Board of Works, as having had a large connection with the river, and possessing all the machinery for carrying out the works effectually and cheaply, *Law* 2093-2099.

Rejection of motions made in the Committee in favour of the required works being executed by the Metropolitan Board, and of the expenses being defrayed out of the rate for the metropolis, *Rep.* ix.

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Greater height to which the tides rise in the river at the present time than was the case formerly; increase of fourteen and a half inches in height between the years 1823 and 1845, *Sir J. Bazalgette* 1028-1035—Statement that the highest flood which has occurred in the Thames was in November 1875, the next year after the completion of the Victoria Embankment, *ib.* 1036-1043.

Explanation that a scheme which will be a metropolitan improvement is being prepared by the Board to protect Islington from rain-water floods, *Sir J. Bazalgette* 1310-1312—Opinion that the great cause of floods in the Thames is the force of the wind; flood on the 4th January 1877 caused by the wind from the north, veering round to the south-west, which heaped up the water in the river to an unprecedented height, *ib.* 1380-1383.

Mechanical action of the pressure of the banks which brings the tide up the river; statement that the level of the water in the river would not be affected in any way whatever if the water were to escape over the banks and flood over the land, *Sir J. Bazalgette* 1433-1440.

Information generally with reference to the tides of the Thames and their effect upon the late floods; result of experience that there is a certain amount of energy unexpended at the mouths of the Thames which has to be exhausted by the sum of all the resistance it meets with in its passage up the river, *Law* 1664. 1669. 1781-1831—Extremely high tides the result of accidental circumstances having no reference whatever to the river; the highest tide within the knowledge of witness was in the year 1845, when it rose to five feet eight inches above the normal height to which the tide should have risen by the Admiralty tables, *ib.* 1670-1676.

Accuracy with which the height of the tides is ascertained by the Admiralty tables, *Law* 1672—Impulsion of the water from Sheerness to London Bridge caused both by momentum from the sea and also by the natural inclination for water to find its own lead, *ib.* 1689-1695.

Impossibility for the proposed works in any way to interfere with the land floods so as to prevent them getting way; statement that any inconvenience caused by such floods is a matter entirely for the Commissioners of Sewers, *Law* 1863-1867. 1874-1881—Explanation that the quantity of water which will enter any estuary under tidal influence will depend upon the capacity and configuration of such estuary throughout its whole extent, *ib.* 1970-1972.

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Report, 1879—continued.

Tides and Floods. Class of circumstances which in the future would be likely to influence the rise and fall of high water and of low water in the river; dredging in the river would be the chief cause of operation, but this has now nearly reached its limit, *Law* 1992-2000.

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Tower Bridge. Proposal by the Metropolitan Board as to building the Tower Bridge; estimated cost of a million and a-half, *Sir J. Bazalgette* 2142-2144.

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Value of Property. Statement that property which is raised above flood level, is as a matter of course more valuable than if subject to floods, *Bazalgette* 1291-1293.

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Wandsworth. Petition against the Bill from the Wandsworth District Board of Works, *Rep. iv.*—Inaccuracy of the statement in the petition of the Wandsworth District Board as to the ratepayers being injuriously affected by the Bill, *Richardson* 130-132 —Due reference to be had to the effect upon overflows of the Wandle and of Beverley Brook, in carrying out works in the Wandsworth district, *ib.* 423-435.

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Further examination in regard to the character of the proposed works at the mouth of the River Wandle; the general idea of the work is that there is to be a barrier against the flood water of the Thames going up that river, but no barrier against the flood water coming down, *Sir J. Bazalgette* 1074-1109. 1313-1318. 1371-1376. 1413-1420—Correction of former evidence in regard to the cost of the works proposed to be carried out in the Wandsworth districts, *ib.* 2126-2129. 2132-2134. 2145-2171.

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Ward's Wharf. Explanation of the partial protection effected at Ward's Wharf, which belongs to three separate owners; flooding which has occurred in consequence of one of the three owners not carrying out protective measures, *Sir J. Bazalgette* 636-638.

Further examination as to the works required to be carried out at Ward's Wharf; contention that the wall which has been put up at this wharf is not in any way an obstruction to the use of the river frontage, *Sir J. Bazalgette* 1213-1245—In the event of another occupier of this wharf, whose business is of a different character, finding the wall an inconvenience, it will be quite feasible to remove the wall, and put a slide in its place; the probable cost of such a change would be between 7 *l.* and 8 *l.*, *ib.* 1223-1229.

Examination with reference to the proposed works at Ward's Wharf; belief that there is no case in which the wharfingers will suffer inconvenience through these works, *Law* 1882-1924—Opinion that no difficulty would arise at this wharf in raising fire-bricks from barges over the wall, *ib.* 1902-1908. 1924.

West Ham. Statement relative to some frontage near West Ham not within the area of the metropolis; maintenance of the old river bank at this part of the river, *Richardson* 90. 92-97.

Wharf Owners. Explanation as to the circumstances under which wharves and buildings have been erected in times past upon the river wall or frontage, this having been done very extensively with the probable consent of the local authorities, *Richardson* 88. 98-105. 527-532. 543-560.

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Grounds for the assertion that the wharfingers have no claim to compensation for interruption in their business caused by works which they themselves should execute at their own cost, *Sir J. Bazalgette* 962-967.

Contention that the removal of the shoals from the bed of the river has enhanced immensely the value of wharf property on the banks; argument from this fact that there is no injustice in imposing upon wharf owners the cost of works for the protection of the district behind their property, *Law* 1716. 1720-1728.

See also *Coal Wharves.* *Cory, W. & Son.* *Navigation of the River.* *Owners and Occupiers.* *Ward's Wharf.*

Whitechapel District Board of Works. Petition from the Board against the Bill, no parties appearing in support of the Petition, *Rep.* vi.

Williams, Brown, and Elmslie, Messrs. Petition against the Bill from Messrs. Williams, Brown, and Elmslie, *Rep.* v.

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Works, Extent and Character of. Total frontage of forty-two miles in respect of which the Metropolitan Board seek power to require the river wall to be raised to a height of five feet above Trinity high-water mark, *Richardson* 363-373.

Information in detail as to the works which have been carried out under the directions of the Metropolitan Board; estimate that works to the value of 55,000 *l.* still remain to be executed, *Sir J. Bazalgette* 595-603, 990-1003—Statement in regard to the most important works which remain to be done on the river; the majority of the works under the present Bill are of very small character, varying in cost from 5 *l.* to 70 *l.* each, *ib.* 607-613. 646-655.

Desire on the part of the Board to meet the views of the owners, so as to interfere as little as possible with the business carried on at the various wharves, *Sir J. Bazalgette* 615. 623-626—Small amount of land affected by the present Bill; belief that it is on the whole under a square mile, *ib.* 693.

Grounds for considering the proposed method of keeping out the floods would be better than building an embankment right down the river; such a work would have the effect of stopping the commerce of London, *Sir J. Bazalgette* 759-769—Statement that all the works which are most required to protect the poorer inhabitants in the future are now carried out; comparatively small amount of works remaining to be done to make the whole thing complete, *ib.* 1252. 1394-1397.

Trivial character of the works proposed to be carried out for the prevention of flooding absence of any engineering difficulty in their construction, *Law* 1704, 1705.

New clause required by the Committee limiting the powers of the Metropolitan Board as to the character of the works to be executed under Clause 7 of the Bill, *Rep.* ix.

See also *Cost of Works.* *Height of Works.* *Metropolitan Board of Works.* *Plans and Estimates.*

